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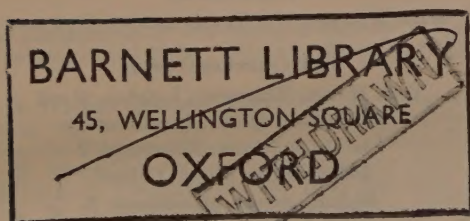
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DOCUMENTS ON GERMAN FOREIGN POLICY 1918-1945



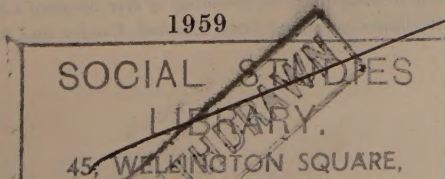
DOCUMENTS ON GERMAN FOREIGN POLICY,
SERIES C. VOLUME III

ERRATA

- p. III, line 5: *for* James Stewart Beddie *read* James
Stuart Beddie.
- p. xxxv, document No 49: *for* June 20 *read* June 30.

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DOCUMENTS ON GERMAN FOREIGN POLICY

1918-1945

SERIES C (1933-1937)

THE THIRD REICH: FIRST PHASE

VOLUME III

JUNE 14, 1934-MARCH 31, 1935

CONTENTS

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PREFACE

In June 1946, the British Foreign Office and United States Department of State agreed to publish jointly documents from the captured archives of the German Foreign Ministry and the Reich Chancellery. Although the captured archives go back to the year 1867, it was decided to limit the present publication to papers relating to the years after 1918, since the object of the publication was "to establish the record of German foreign policy preceding and during World War II". The editorial work was to be performed "on the basis of the highest scholarly objectivity". The editors were to have complete independence in the selection and editing of the documents. Publication was to begin and be concluded as soon as possible. Each Government was to be "free to publish separately any portion of the documents". In April 1947, the French Government, having requested the right to participate in the project, accepted the terms of this agreement.

It was originally intended to complete the entire publication for the period 1918-1945 in some twenty volumes. When, however, the preliminary work on the selections for the years 1933-1945 was completed in 1954, it became apparent that an adequate selection of the documents for this period would require a publication on a scale approximately double the size which had been expected at the outset. After considering the length of time it would take to carry out a programme on this scale the participating Governments decided to limit the publication in English to the years 1933-1941, beginning on January 30, 1933, when Hitler became Reich Chancellor, and ending in December 1941, after the German declaration of war on the United States of America. The publication began with Series D, of which ten volumes (1936/7-1940) have already appeared. Three further volumes are planned for Series D, namely Volumes XI to XIII. Series C (1933-1937) will be completed in six volumes.

This, the third volume of Series C, opens on June 14, 1934, with the meeting between Hitler and Mussolini in Venice, the first meeting of the two dictators. It closes on March 31, 1935, immediately after the Simon-Eden conversations in Berlin.

The documents included in the present volume have been selected jointly by the United States, British, and French editors, but the British editors have had editorial responsibility for this volume. The editors have exercised complete freedom in both the selection and editing of the documents in the volume. Readers should bear in mind that these documents are presented as a source book for the study of

history and not as a finished interpretation of history. It has been the aim throughout to keep any interpretative comment out of the footnotes.

The documents are printed in chronological order. A topical arrangement of the analytical list at the beginning of the volume is designed to help those who wish to read on particular subjects.

The documentation for the period covered by this volume is not altogether complete (see volume I of this Series, Appendix V). For the reasons stated in paragraph 6 of that Appendix many of the economic files on Russia have not been available. The files of Department II on armament questions and of the Press Department were evidently much reduced before they were transferred to the Political Archives. References have also been found to two files, dealing with the Eastern and Danubian Pacts respectively, which are not amongst the archives held.

Each document printed in this volume bears a microfilm serial and frame number in the upper lefthand corner. The microfilm copy of the original German text can be located by reference to Appendix III, "List of German Files Used". As fast as is technically possible, these microfilms are being made available to public research through the Public Record Office in London and the National Archives in Washington. The files of the German Foreign Ministry for the Weimar Period, originally intended for coverage by Series A and B of this publication, are also being systematically microfilmed; a substantial number of these microfilms have already been deposited in the Public Record Office in London and the National Archives in Washington.

The translations have been drafted by the British translating staff, but the editors have final responsibility for the translations as well as full responsibility for the footnotes and other editorial matter. For the principles which have guided the editors with respect to translations and other phases of their work the reader is referred to the "General Introduction", published in each of the first four volumes of Series D.

The British editors wish to express their gratitude to the Librarian and Director of Research at the Foreign Office, Mr. C. C. Parrott, C.M.G., and his staff for their cooperation, and to Miss C. A. Bedford, Miss P. M. Bragg, Miss V. Klein, Mr. J. N. Meinertzhagen, Mr. D. A. R. H. Webster and Miss F. H. Yorke for their assistance in the preparation of this volume.

ANALYTICAL LIST OF DOCUMENTS¹

ABYSSINIA

Date	Subject	Doc.No.	Page
1934 Oct. 28	<i>The Minister in Ethiopia to the Foreign Ministry</i> Reports Emperor wishes to send representative to Germany to make military purchases and desires Reich Government's agreement.	280	543
Dec. 26	<i>The Chargé d'Affaires in Ethiopia to the Foreign Ministry</i> Reports has given Emperor letter from Hitler, and has been given memorandum on Ethiopian desire to purchase arms. Has explained Germany unable to commit herself more definitely to Ethiopia.	402	759
Dec. 27	<i>The Director of Department III to the Legation in Ethiopia</i> Refers to document No. 402 and gives instructions on language to be held. [See also under <i>Italy</i> .]	403	760

AUSTRIA

Date	Subject	Doc.No.	Page
1934 June 14	<i>The Reich Minister of the Interior to the Foreign Ministry</i> Refers to complaints from Foreign Ministry of deleterious effects on German foreign policy of incidents on German-Austrian frontier and transmits copy of instructions sent to Bavarian authorities to end these incidents.	3	4
June 18	<i>The Inspector of the National Socialist Party in Austria, Habicht, to Counsellor of Legation Hüffer</i> Writes from Munich and forwards extracts from recent reports on the situation in Vienna.	17	44
June 24	<i>The Minister in Austria to the Foreign Ministry</i> Reports that personal letter from Suvich has reached Dollfuss; repeats information as to contents supplied by Hornbostel to Hungarian Chargé d'Affaires, and discusses Austrian reactions to Venice meeting between Hitler and Mussolini.	34	83
July 23	<i>Minister Rieth to State Secretary Bülow</i> Reports on events leading up to recent changes in Austrian Cabinet and speculates on possible future development of internal situation in Austria.	112	221

¹ The documents in this volume have been arranged chronologically. For the convenience of readers who wish to trace topics through the volume the analytical list of documents has been arranged alphabetically by countries or regions. In addition five subject headings have been included: "Economic and Financial Policy", "General Policy", "Military Policy", "Religious Questions" and "Rhineland".

AUSTRIA—continued

Date	Subject	Doc. No.	Page
1934			
July 25/26	<i>Note by the State Secretary</i> Action taken following news received from German Minister in Vienna of death of Austrian Federal Chancellor Dollfuss and suppression of rising there.	115	235
July 25	<i>The Foreign Ministry to the Reich Ministry of the Interior</i> Refers to document No. 3; states that protest received from Austrian Government, and requests that action be taken to avoid any association of Germany with acts of terrorism perpetrated in Austria.	116	239
July 26	<i>The Minister in Austria to the Foreign Ministry</i> Summarizes reports already telephoned of events in Vienna on July 25.	119	245
July 27	<i>Note by the State Secretary</i> Minute of various telephone conversations with Ministry of Propaganda and German Ambassador in Rome about a further official German statement on events of July 25 in Vienna, and on Italian action.	122	251
July 26	<i>Reich Chancellor Hitler to Herr von Papen</i> Letter inviting him to become German Minister on Special Mission in Vienna.	123	252
July 26	<i>The Legation in Austria to the Foreign Ministry</i> Transmits report by Military Attaché on rising in Vienna on July 25, and probable consequences thereof.	125	255
July 30	<i>Note by the State Secretary</i> Telephone conversation with Foreign Minister about latter's interview with Hitler at Bayreuth, at which possibility of invoking intervention by foreign Powers, especially Britain, to prevent mass slaughter of National Socialists in Austria had been discussed.	134	271
July 30	<i>The Foreign Ministry to the Reich Ministry of the Interior</i> Requests confirmation of report that Austrian Legion to be disbanded; this measure would be welcome on grounds of international relations.	135	272
July 31	<i>The Chargé d'Affaires in Austria to the Foreign Ministry</i> Reports has learned Italians are opposing acceptance of Papen as German Minister in Vienna but detects signs that new Austrian Government not averse to bringing about détente in relations with Germany.	136	273
July 31	<i>The Chargé d'Affaires in Austria to the Foreign Ministry</i> Discusses clash of Italian and Yugoslav interests in Austria.	137	274
Aug. 1	<i>Memorandum by the State Secretary</i> Telephone conversation with General von Reichenau (Reichswehr Ministry) about document No. 135 and Hitler's views on disbanding Austrian Legion.	141	281
Aug. 2	<i>The Head of the Volksbund für das Deutschtum im Ausland to the Foreign Ministry</i> Transmits report describing circumstances of rising in Austria on July 25 and discussing reasons for failure.	143	283

ANALYTICAL LIST OF DOCUMENTS

XIII

AUSTRIA—continued

Date	Subject	Doc.No.	Page
1934			
Aug. 3	<i>Memorandum by the State Secretary</i> Conversation with Austrian Chargé d'Affaires, who conveyed his Government's condolences at death of President Hindenburg; has complained to Chargé at delay in according <i>agrément</i> for Papen.	146	290
Aug. 7	<i>Memorandum by an Official of Department II</i> Conversation with the leader of Austrian SS, entrusted with carrying out Hitler's orders to disband Austrian SS and to organize relief work in Austria, on methods to be pursued.	149	293
Aug. 8	<i>The Führer and Chancellor to Ministers Hess and Goebbels, Herr von Papen and the Office of the Secret State Police</i> Orders that questions of German-Austrian policy not to be publicly discussed by anyone without previous agreement between Propaganda Ministry and Papen.	151	299
Aug. 13	<i>Memorandum by an Official of Department II</i> Discusses disposal of files of Landesleitung Austria, now dissolved, and stresses importance of preventing files from falling into wrong hands.	158	315
Aug. 19	<i>The Führer and Chancellor to the Führer's Deputy</i> Requests that necessary orders be issued to reorganize Kampfiring of Austrians in Reich so as to exclude any interference in Austrian internal affairs.	165	333
Aug. 20	<i>Memorandum by an Official of Department II</i> Records conversation with Papen about political situation in Austria, German-Austrian relations, Italian plans for guaranteeing Austria, question of relief for political refugees and other matters.	166	333
Aug. 19	<i>Minister Papen to State Secretary Bülow</i> Letter, enclosing report on his assumption of post of German Minister in Vienna and outline of guiding principles for German policy towards Austria approved by Hitler; latter requires report on possible German accession to Three Power Pact (Rome Protocols of March 17, 1934).	167	336
Aug. 21	<i>The Führer's Deputy, Hess, to Herr Frauenfeld</i> Letter stating that Hitler's orders that Reich Party must have nothing to do with Austrian Party must be unconditionally obeyed. Explains reasons for order.	173	352
Aug. 22	<i>State Secretary Bülow to State Secretary Lammers</i> Letter referring to document No. 166 and analysing proposals contained therein for German accession to Three Power Pact (Rome Protocols of March 17, 1934).	174	353
Aug. 27	<i>Memorandum by the State Secretary</i> States that Hitler prepared to make public reference at Party Rally to dissociation from National Socialist Party in Austria.	179	362
Aug. 29	<i>Memorandum by an Official of Department II</i> Conversation with SA Chief of Staff's Special Commissioner for Austria, who stated that, on Hitler's instructions, Austrian Legion not to be disbanded but transferred to North Germany; "SA Group-Austria" not to be disbanded either.	183	369

AUSTRIA—continued

Date	Subject	Doc. No.	Page
1934 Aug. 30	<i>The Chargé d'Affaires in Austria to the Foreign Ministry</i> Transmits report by Military Attaché discussing rôle of Austrian National Socialist Party in abortive <i>Putsch</i> of July 25, and making proposals for continuing struggle for a "German" Austria by other means.	186	372
Sept. 7	<i>The State Secretary to the Führer's Deputy</i> Transmits information received from German Consulate at Linz that well-known Austrian National Socialist, Reinthaller, has complained of instructions sent to Austria from unauthorized quarters, thus arousing suspicions of Austrian Government and rendering task of making peace between Party and Austrian Government impossible.	198	394
Sept. 13	<i>Memorandum by an Official of Department II</i> Telephoned enquiry from German Minister in Vienna about carrying out Hitler's instructions on dissolution of Kampfring, Austrian Legion etc. Papen proposed to raise matter with Hess and Hitler.	208	411
Sept. 28	<i>Senior Counsellor Renthe-Fink to Counsellor of Embassy Erbach</i> Letter informing him of directives issued to German press on treatment of Austrian question and requesting him to stress to Austrians idea of reciprocity.	222	430
Oct. 4	<i>Minister Papen to the Führer and Chancellor</i> Refers to publication in Austrian Brown Book of various happenings contrary to international law and proposes German statement that Reich Government had no knowledge of these happenings, which had long since been atoned for by execution of Röhm and his conspirators.	231	460
Oct. 8	<i>The Minister in Austria to the Führer and Chancellor</i> Reports conversation with Federal Chancellor to whom he complained of publication of Austrian Brown Book and of attitude of Austrian press towards Germany and the Saar.	235	463
Oct. 18	<i>The Chargé d'Affaires in Austria to the Foreign Ministry</i> Describes attempts made by Ingenieur Reinthaller to reconcile National Socialist Party in Austria with Austrian Government and analyses reasons for lack of success.	257	499
Nov. 4	<i>The Minister in Austria to the Foreign Ministry</i> Reports conversation with Hungarian Minister President following latter's official visit to Vienna: Gömbös offered good offices in reassuring Rome about German policy towards Austria, making certain proposals to that end.	296	565
Nov. 19	<i>The Minister in Austria to the Foreign Ministry</i> Refers to movement of Austrian refugees in Yugoslavia to Germany, fears this action will be exploited against Germany in view of Austrian complaints that German promise to dissolve Austrian Legion not kept; requests to be informed when Hitler's order for dissolution of Legion has been carried out.	337	644
Nov. 23	<i>The State Secretary to the Führer's Deputy</i> Draws attention to complaints by Austrian Minister that Austrian Legion has not only not been disbanded but has been re-formed; stresses importance for German foreign policy of speedy disbanding of Legion and requests investigation of Austrian complaints.	347	662

AUSTRIA—continued

Date	Subject	Doc. No.	Page
1934 Nov. 25	<i>Memorandum by an Official of Department II</i> States that, according to reliable information, Obergruppenführer Reschny, who is in charge of office for disbanding of Austrian Legion, has been acting contrary to Hitler's specific orders and is solely responsible for failure to disband Legion. Suggests Hitler's attention be drawn to repercussions on German foreign policy of this state of affairs.	362	688
Dec. 6	<i>The Minister in Austria to the Foreign Ministry</i> Sends résumé of report he made to Hitler and Neurath on his conversations with Austrian Federal Chancellor and Austrian M.F.A. after their return from Rome, and gives own views on question of German policy towards Austria.	380	719
Dec. 20	<i>Memorandum by the Deputy Director of Department II</i> Explains latest arrangements for administration of financial relief for Austrian refugees, and states Obergruppenführer Reschny claims to have Hitler's authority for maintaining Austrian Legion and stationing it in Rhineland near Belgian frontier. Draws attention to political objections both to leaving Legion under Reschny's command and stationing it in frontier area.	398	753
1935 Jan. 5	<i>Memorandum by the State Secretary</i> Records Austrian Minister stated that his Government had been assured that both Italy and France desired Germany's participation in proposed (Danubian) pacts and that Germany would not be presented with <i>fait accompli</i> .	411	775
Jan. 11	<i>The Foreign Minister to the Chief of Staff of the SA</i> Letter, drawing attention to anxiety which question of Austrian Legion continues to cause in Vienna, and to danger of employing Legion within demilitarized zone, and requesting information on what final measures are to be taken over Legion.	424	800
Jan. 15	<i>The Chief of Staff of the SA to the Foreign Minister</i> Letter in reply to document No. 424; states Austrian Legion completely disbanded but cannot share objections to proposed location of camps.	435	820
Jan. 30	<i>The Minister in Austria to the Führer and Chancellor</i> Conversations with Federal Chancellor and with M.F.A.; has carried out with latter instructions contained in document No. 460.	464	877
Feb. 27	<i>Memorandum by an Official of Department II</i> Records results of interdepartmental meeting on budget questions in connexion with Austrian Relief Agency North-West (Austrian Legion). In view of claims made by Obergruppenführer Reschny as to Legion's future activities, enquiries to be made to ascertain what orders Hitler had given.	510	969
Mar. 3	<i>Minister Papen to Foreign Minister Neurath</i> In view of possibility that Austrian question will be dealt with during British Foreign Secretary's forthcoming visit to Berlin, outlines ideas on tactics to be adopted in further conversations on projected Central European Pact.	515	976

AUSTRIA—*continued*

Date	Subject	Doc. No.	Page
1935 Mar. 8	<i>Memorandum by an Official of Department II</i> Information obtained by Ministry of Interior from Reichswehr Minister as to Hitler's views on future employment of Austrian Legion.	522	989
Mar. 11	<i>Circular of the State Secretary</i> States that Austrian Government have protested to a number of Powers that certain passage in Hitler's speech at Saarbrücken on March 1 constitutes interference in Austria's internal affairs. Instructions as to line to be taken in refuting Austrian complaint.	524	992
Mar. 16	<i>Memorandum by an Official of the Economic Department</i> Record of interdepartmental meeting held in Foreign Ministry to discuss shaping of German-Austrian economic relations. [See also under <i>France, Great Britain and Italy.</i>]	533	1006

CZECHOSLOVAKIA

Date	Subject	Doc. No.	Page
1934 June 23	<i>Memorandum by the Foreign Minister</i> Conversation with Czechoslovak Minister, who stated his Government were prepared to join proposed Eastern Pact. Has informed Minister of German objections to Pact.	33	82
July 6	<i>The Military Attaché in Czechoslovakia to the Reichswehr Ministry</i> Reports on Czechoslovak armed forces and political situation.	69	140
July 11	<i>The Foreign Ministry to the Ministry for Propaganda</i> Requests that <i>Der Stürmer</i> be banned for publishing insulting article on President of Czechoslovak Republic; points out that this paper has caused trouble before.	81	158
1935 Feb. 2	<i>The Minister in Czechoslovakia to the Foreign Ministry</i> Records conversation with Czechoslovak Deputy M.F.A. about attitude of Czechoslovak Government to German political émigrés and particularly to activities of Otto Strasser.	477	902
Feb. 5	<i>Memorandum by the State Secretary</i> Objections to discussing with Czechoslovak Government a settlement of question of political émigrés independently and in advance of general negotiations on Danubian pact project.	480	905
Feb. 5	<i>Minister Koch to Senior Counsellor Rödiger</i> Discusses possibilities of strengthening Sudeten German nationalist movement under leadership of Konrad Henlein, and of ensuring its representation in parliament.	482	908
Feb. 27	<i>Memorandum by the Director of Department VI</i> Discusses and supports request of Dr. Steinacher of the VDA that the sum of three million Czech crowns be provided to support Henlein Sudeten German party in forthcoming elections in Czechoslovakia.	509	968

ANALYTICAL LIST OF DOCUMENTS

XVII

CZECHOSLOVAKIA—continued

Date	Subject	Doc. No.	Page
1935 Feb. 28	<i>The Foreign Ministry to the Legation in Czechoslovakia</i> States that Czechoslovak Minister in Berlin has now officially raised question of concluding an agreement on question of political émigrés but has been informed time not appropriate in view of international discussions on Danubian pact project; requests information on what action taken by Czechoslovak authorities to control émigré activities.	511	970
Mar. 8	<i>The Minister in Czechoslovakia to the Foreign Ministry</i> Reports conversation with President Beneš on latter's plan to conclude agreement with Germany on question of political refugees; has informed President that this proposal has come too late.	523	990
Mar. 11	<i>Circular of the Reichsleitung of the NSDAP</i> States that Ribbentrop, on behalf of the Führer's Deputy, Rudolf Hess, forbids all attacks in German press on Henlein, leader of the Sudeten German Homeland Front in Czechoslovakia. [See also under <i>General Policy</i> .]	525	994

ECONOMIC AND FINANCIAL POLICY

Date	Subject	Doc. No.	Page
1934	<i>Editors' Note</i> Conference between Reichsbank and representatives of Germany's foreign creditors in April and May 1934.		16
	<i>Editors' Note</i> Text of memorandum of August 7, 1930, on methods of employing German State funds for export promotion.		22
June 18	<i>Circular of the Foreign Ministry</i> Explains present position of, and objectives in, current German commercial policy: impact of world crisis and measures taken to meet this (monopoly management, import embargoes and import quotas, tariff quotas); foreign exchange difficulties; concept of barter; possibilities of reorientating German imports and new trade treaties recently concluded by Germany.	13	26
June 18	<i>The Directorate of the Reichsbank to the Reich Minister of Economics</i> Discusses proposed system of foreign exchange allotments in view of depletion of Reichsbank's gold and foreign exchange reserves, and requests that discussions be started at once with experts in various departments concerned.	18	48
June 26	<i>The Director of the Economic Department to the Embassy in Great Britain</i> States, for information of German economic delegation, that has informed French delegation of German proposals on transfer payments and discussed additional possibilities with them; situation in negotiations with Netherlands has deteriorated; Belgium believed to have consulted London and Paris in order to form common front.	37	87
July 10	<i>The President of the Reichsbank to the Reich Chancellor</i> Letter complaining of unfortunate impression created amongst other delegates attending meeting of B.I.S. at Basle by Foreign Ministry's capitulation to British during Anglo-German transfer negotiations in London; belief now prevailing that German assurances worthless, and that Germany must be treated firmly to get anything out of her.	78	155

ECONOMIC AND FINANCIAL POLICY—continued

Date	Subject	Doc. No.	Page
1934			
July 21	<i>The Directorate of the Reichsbank to the Foreign Ministry</i> Refers to document No. 53 (see under <i>Great Britain</i>) and states does not believe bilateral clearing agreements now under negotiation with various countries will guarantee extra foreign exchange for Reichsbank; stresses primary importance of increasing Reichsbank's supplies of foreign exchange and proposes methods for achieving this.	108	212
Aug. 11	<i>The Foreign Ministry to the Embassies in Italy and Spain and the Legations in Belgium, Finland, Portugal, Norway and Sweden</i> States negotiations with Netherlands for modification of German-Dutch payments agreement have broken down; Britain has accepted payments agreement with five million RM limit for special account with Bank of England provided similar limit laid down in all other payments agreements; if understanding on this not reached with other countries, Missions there to give notice of termination of present payments agreement.	155	309
Aug. 20	<i>Circular of the Foreign Ministry</i> Refers to document No. 13 and explains most recent developments in commercial policy; describes types of trade agreements recently concluded and their purpose; outlines Government's attempts to strike balance between imports and available foreign currencies, and new system which will probably be adopted shortly.	169	344
Aug. 25	<i>Circular of the Director of the Economic Department</i> Informs Missions that President of the Reichsbank Schacht to announce Government's decision to introduce new foreign exchange allocation system and gives details.	175	356
Sept. 13	<i>Circular of the Foreign Ministry</i> Provides information on New Plan for allocation of foreign exchange, to come into force on September 24.	207	409
Oct. 15	<i>The Foreign Ministry to the Reich Finance Ministry</i> States New Plan for allocation of foreign exchange does not solve problem of old commercial debts which is engendering resentment abroad and restricting German freedom of action in foreign policy; makes proposals for meeting this problem.	250	482
Oct. 20	<i>Record of a Conference</i> Conference of Heads of Departments on October 18 under chairmanship of Hitler regarding allocation of foreign exchange and necessity for reducing imports to remedy decline in foreign exchange holdings.	261	510
Nov. 9	<i>Circular of the Foreign Ministry</i> Refers to document No. 168; states German commercial policy in recent months increasingly governed by question of foreign exchange; discusses working of existing clearing agreements; effect of New Plan on German commercial debts; question of credits for purchase of raw materials.	316	605
[See also under <i>Great Britain and United States.</i>]			

ANALYTICAL LIST OF DOCUMENTS

XIX

ESTONIA

Date	Subject	Doc. No.	Page
1934 Aug. 1	<i>The Minister in Estonia to the Foreign Ministry</i> Reports has been informed by Estonian M.F.A. of course of latter's conversation with Litvinov about proposed Eastern Pact.	140	279

FAR EAST

Date	Subject	Doc. No.	Page
1934 June 21	<i>The Foreign Minister to the Embassy in Japan</i> Instructs Embassy to inform Heye, Reich Commissar for trade with Manchukuo, that preliminary trade agreement with Manchukuo Government not approved by Foreign Ministry.	22	53
June 21	<i>Foreign Minister Neurath to Reich Minister Hess</i> States that, for economic and political reasons, Reich Foreign Ministry do not approve trade treaty negotiated by Heye, Reich Commissar for trade with Manchukuo, and requests Hess's approval for termination of Commissar's activities.	24	56
July 21	<i>Note by the Director of the Economic Department</i> Records has discussed with Staatsrat Thyssen possibilities of business with Manchukuo and question of termination of Reich Commissar Heye's appointment.	107	210
Aug. 9	<i>The Embassy in Japan to the Foreign Ministry</i> Military Attaché reports Japanese General Staff trying to persuade German Mission at Nanking to influence Chiang Kai-shek in favour of Sino-Japanese rapprochement; states is in favour of such mediation.	153	306
Aug. 13	<i>The State Secretary to the Embassy in Japan</i> Refers to document No. 153 and states that, though desirable to dispel Japanese General Staff's mistrust of German military advisers to Chinese Nationalist Government, mediation by Military Attaché in Tokyo not feasible; appropriate instructions therefore sent to Peking.	157	314
Aug. 20	<i>The Minister in China to the Foreign Ministry</i> Reports Seeckt requests that Military Attaché in Tokyo refrain from mediation with Chinese, but is himself prepared to take suitable action.	168	343
Aug. 21	<i>The Director of the Economic Department to the Embassy in Japan</i> States Reich Government agree in principle to negotiations for compensation transaction, involving industrial products against soya beans, through German-Manchukuo Export and Import Company. As Zores and Heye now acting as private agents for German-Manchukuo Company, Heye can no longer act as Reich Commissar for trade with Manchukuo.	172	351

FAR EAST—continued

Date	Subject	Doc. No.	Page
1934			
Aug. 28	<i>Minister Trautmann to State Secretary Bülow</i> Letter enclosing (i) memorandum on conversation with Seeckt about proposed agreement on exchange of goods between Germany and China, and (ii) note from Seeckt about course of negotiations; gives views on proposed agreement.	180	362
Sept. 22	<i>The Ambassador in Japan to the Foreign Ministry</i> States Manchukuo Government urging discussion of German-Manchukuo commercial relations; believes that German reserve no longer appropriate and that contact should be made with Manchukuo Minister of Economics.	217	424
Sept. 26	<i>Memorandum by a Deputy Director of Department IV</i> States application by Rheinmetall for Reich guarantee of contract for supply of howitzers to China should be refused, and gives reasons.	220	427
Oct. 5	<i>Memorandum by an Official of Department II</i> Records is informed President of Reichsbank Schacht has agreed to Reich guarantee of contract for supply of howitzers to China.	232	461
Oct. 10	<i>Memorandum by the State Secretary</i> Records Japanese Ambassador enquired about German views on raising status of Italian Legation in Peking to Embassy, and stated Japanese public opinion demanding clearing agreement with Germany, though he himself against it.	239	470
Oct. 12	<i>State Secretary Bülow to Minister Trautmann</i> States has instructed Ambassador in Tokyo, in view of encirclement of Japan now in progress, to watch for any threat of Russo-Japanese war, and to avoid close relations with Japan as being likely to give rise to suspicion that Germany desirous of assisting Japan against Russia.	247	480
Oct. 17	<i>Minute by an Official of Department II</i> Records discussion between officials of Foreign and Reichswehr Ministries about question of Reich guarantee of contracts for supply of howitzers to China.	253	489
Oct. 19	<i>Minute by an Official of Department II</i> Records howitzer transaction with China brought up with Hitler, who finally decided howitzers not to be delivered in 1935, and reserved decision on possible delivery later.	258	504
Nov. 1	<i>The Chargé d'Affaires in Japan to the Foreign Ministry</i> Reports Japanese General Staff welcome readiness of German Mission in Nanking to establish contact; Japanese Assistant Military Attaché in Nanking to try to arrange to be received by Falkenhausen, with Chiang Kai-shek's approval.	288	556
Nov. 6	<i>Memorandum by the Director of Department IV</i> Records Chinese Minister stated Chiang Kai-shek did not approve supply of arms to Canton under contracts concluded by Klein, and requested German Government to prohibit such delivery. Adds Klein later denied Chiang Kai-shek had forbidden transaction.	301	575
Nov. 23	<i>Memorandum by the Director of Department IV</i> Records Chinese Minister suggested official German <i>démenti</i> regarding alleged secret German-Japanese agreements. Has again denied existence of such agreements and stated <i>démenti</i> appeared superfluous.	350	665

FAR EAST—continued

Date	Subject	Doc. No.	Page
1934 Dec. 1	<i>The Minister in China to the Foreign Ministry</i> Reports Seeckt stated Chiang Kai-shek had not approved Canton munitions transaction, though aware of it. Falkenhäusen not involved. Any further moves with Seeckt to be left to Reichswehr Ministry.	366	694
Dec. 31	<i>The Minister in China to the Foreign Ministry</i> Reports, in connexion with visits of Otto Wolff, Klein, and other industrialists, on present position and probable future of German-Chinese trade and discusses question of Reich guarantees.	404	761
1935 Jan. 31	<i>Memorandum by an Official of Department IV</i> States contracts for supply of arms to Canton economically and politically undesirable, and gives reasons; proposes method of dealing with contracts.	472	893
Feb. 2	<i>Memorandum by an Official of Department IV</i> Records conversation with Prince Reuss about Klein's mission and status, contract for supply of arms to Canton and advance to be made by Germany to Canton for exploitation of ore deposits.	476	900
Feb. 4	<i>Foreign Minister Neurath to Reich Minister Hess</i> States Heye in disgrace with Hitler, and his appointment as German Commissar for trade with Manchukuo terminated.	478	904
Feb. 11	<i>Memorandum by a Deputy Director of Department IV</i> Records has called, with Meyer, on Jünne, Reichsbank Director and Director of Golddiskontbank, to discuss deal with China proposed by Klein.	488	922
Feb. 14	<i>Memorandum by a Deputy Director of Department IV</i> Records Colonel Thomas (Head of War Economy and Ordnance Branch in the Wehrmachtamt) informed Meyer that Klein's proposal for deal with China approved by Reichswehr Minister and Reichsbank President; Meyer stated Foreign Ministry's views.	491	929
Feb. 15	<i>The Legation in China to the Foreign Ministry</i> Reports information from Seeckt about Chiang Kai-shek's views on Klein's Nanking and Canton projects.	493	933
Feb. 22	<i>Minister Trautmann to Foreign Minister Neurath</i> States, with reference to Seeckt's statement (in document No. 493), that thinks Klein project worthless and potentially harmful to German trade.	504	959
Feb. 27	<i>The Foreign Minister to the Reich Finance Minister</i> Encloses memorandum on Klein's Nanking and Canton projects and on question of granting credits.	508	965
Mar. 1	<i>The Minister in China to the Foreign Ministry</i> Reports is informed by Japanese Assistant Military Attaché that Chinese press reports that Japanese demanding replacement of German Military Adviser due to misunderstanding. Suggests informing press that Seeckt to leave in March; states is informed by Seeckt that latter has resigned.	512	972
Mar. 7	<i>Memorandum by the State Secretary</i> Records Chinese Minister enquired about rumours of German-Japanese secret agreement; has denied existence of such agreement.	521	988

FAR EAST—continued

Date	Subject	Doc. No.	Page
1935 Mar. 23	<i>The Reichswehr Minister to the Foreign Minister</i> States information that two German officers of the Ordnance Office have arrived in Canton incorrect, but certain retired officers have gone or are going there as advisers; right to send advisers to Canton must be upheld in face of objections from Nanking.	554	1042

FRANCE

Date	Subject	Doc. No.	Page
1934 June 14	<i>Memorandum by the State Secretary</i> Conversation with French Chargé d'Affaires, whom he informed of German views on Litvinov-Barthou Eastern Pact plans.	1	1
June 15	<i>The Ambassador in France to the Foreign Ministry</i> Reports has seen French M.F.A. and discussed with him his speech of May 30, question of European security, Hitler-Mussolini meeting, Saar, pact proposed by Litvinov, and Barthou's visits to Belgrade and Bucharest.	4	6
June 23	<i>Senior Counsellor Frohwein to General Schönheinz (Reichswehr Ministry)</i> Letter enclosing memoranda by Ribbentrop: (i) on conversation with French M.F.A. about latter's foreign policy, Hitler's desire for understanding with France, and economic questions; (ii) on conversation with Secretary General at French Foreign Ministry about proposed Eastern Pact.	31	75
July 4	<i>The Ambassador in France to the Foreign Ministry</i> Refers to document No. 51 (see under U.S.S.R.) and comments on views recently expressed to him by French Secretary General Léger about so-called "Eastern Locarno" proposals and possibility of Franco-Russian alliance.	57	123
July 5	<i>Memorandum by the Foreign Minister</i> Records French Ambassador complained, in connexion with events of June 30, of being accused, with French Embassy, of conspiring against German Government, and requested official German retraction. Has replied accusation not made by official quarters and refused to make statement.	64	134
July 5	<i>Memorandum by the Foreign Minister</i> Conversation with French Ambassador who stated French M.F.A. had given assurances that proposed Eastern Pact not directed against Germany and promised to supply detailed proposals about Pact shortly.	65	135
July 10	<i>The Ambassador in France to the Foreign Ministry</i> Reports Forster has handed German Note to Director of Political Department of French Foreign Ministry, described conditions in Memel Territory and attitude of Lithuanian Government, and explained German Government's reasons for making <i>démarche</i> .	75	151

FRANCE—continued

Date	Subject	Doc.No.	Page
1934			
July 18	<i>The State Secretary to the Embassy in France</i> Instructs Ambassador that authentic text of projected Eastern Pact, and data on possible further pacts, not yet received from France or Russia; although Germany's attitude fundamentally sceptical, conversations to be continued.	95	187
July 18	<i>Secretary General Léger to Ambassador Köster</i> Encloses note of assurances given by Reich Foreign Minister regarding alleged supply of arms to SA by France and implication of French Embassy in Germany in events of June 30, as reported by French Ambassador in Berlin.	97	188
July 20	<i>The Ambassador in France to the Foreign Ministry</i> Reports has informed French M.F.A. that Germany would study proposed Eastern Pact if supplied with authentic draft by France or Russia. M.F.A. has given him account of his visit to London and of origins of Eastern Pact plan; in reply, has put forward Germany's claim for equal rights.	101	194
July 23	<i>State Secretary Bülow to Foreign Minister Neurath</i> States French Ambassador enquired whether he still enjoyed Reich Government's confidence in view of Hitler's Reichstag speech of July 13; believes matter could best be settled by arranging meeting between Ambassador and Hitler.	110	219
July 23	<i>Memorandum by the State Secretary</i> Records French Ambassador has explained origins of Eastern Pact plan, and reasons why Germany not furnished with draft.	111	220
July 24	<i>State Secretary Bülow to Ambassador Köster</i> Criticizes Köster's line of argument in last conversation with French M.F.A. (reported in document No. 101) and gives instructions on language to be held in future.	113	227
July 27	<i>The Ambassador in France to the Foreign Ministry</i> Reports Secretary General of French Foreign Ministry stated that French Government had ordered enquiry regarding alleged French supply of arms to SA, that French Ambassador in Berlin had obtained denial of German suspicion of French implication in events of June 30 and that French Government gave detailed information regarding relations of French Ambassador in Berlin with Schleicher and Röhm.	129	259
Aug. 2	<i>The Ambassador in France to the Foreign Ministry</i> Reports memorandum on Lithuanian infringements of Memel Statute communicated to Secretary General of French Foreign Ministry, who stated French Government considered Germany should lay her complaints before Council of League of Nations. In reply stressed danger should Lithuania persist in course of action in violation of Statute and stated view that Powers signatories to Memel Convention should take steps to prevent this.	142	282
Aug. 3	<i>The State Secretary to the Embassy in France</i> Refers to document No. 142 and states French view that Germany should lay complaints before Council of League of Nations (which is out of question) amounts to refusal of discussion through diplomatic channels to which Germany entitled.	144	288

FRANCE—continued

Date	Subject	Doc. No.	Page
1934 Aug. 3	<i>Memorandum by the Foreign Minister</i> Records French Ambassador again raised question of his alleged implication in plot against German Government in view of Goebbels' persistent allegations in press and asked that his assurances be accepted and to be informed that he still enjoyed Hitler's confidence.	145	289
Aug. 20	<i>The French Ambassador in Germany to the State Secretary</i> Letter enclosing text of outline of proposed Eastern Pact.	171	349
Aug. 27	<i>Memorandum by the State Secretary</i> With reference to document No. 129, German Ambassador in Paris to be informed that Hitler prepared to receive French Ambassador in Berlin.	178	361
Sept. 5	<i>The Ambassador in France to the Foreign Ministry</i> Reports is informed by Secretary General of French Foreign Ministry of French, British and Italian <i>démarches</i> asking for Lithuanian Government's views on German complaints about Memel and of Lithuanian reply; Secretary General further stated that French Government had asked for British views and that Lithuanian Chargé d'Affaires had asked that Powers signatories to Memel Convention should refrain from further <i>démarches</i> , more especially collective <i>démarche</i> . Has replied that believed Lithuanians were trying to gain time in which to create further <i>faits accomplis</i> , and has asked that matter continue to receive attention.	193	384
Sept. 8	<i>The Embassy in France to the Foreign Ministry</i> Refers to document No. 196 (see under <i>Lithuania</i>) and reports is informed by Secretary General of French Foreign Ministry that his Government, though prepared for collective <i>démarche</i> in Kovno, if this decided upon by other Powers signatories to Memel Convention, did not consider French could make independent <i>démarche</i> . Has replied could not be satisfied with this statement, and emphasized Lithuanian assurances designed to gain time in which to create <i>faits accomplis</i> ; Léger stated that if French became convinced events of September 6 were fresh violation of Constitution, they would be prepared to make further representations independently.	199	395
Sept. 10	<i>The Embassy in France to the Foreign Ministry</i> Reports has given Secretary General of French Foreign Ministry Eastern Pact memorandum (document No. 200; see under <i>General Policy</i>) and answered Léger's questions as instructed in document No. 190 (see under <i>General Policy</i>).	201	402
Sept. 12	<i>Memorandum by the Foreign Minister</i> Records that, as regards French Memorandum of August 31, Hitler said that Germany intended to meet obligations under Versailles Treaty with regard to Saar Territory and to pay compensation for coal mines, and that time, nature and amount of such compensation must be subject of negotiations.	206	409
Sept. 20	<i>The Ambassador in France to the Foreign Ministry</i> Reports on reactions in France to admission of U.S.S.R. to League of Nations.	214	419
Sept. 29	<i>The Ambassador in France to the Foreign Ministry</i> Transmits copy of Polish reply to France on question of proposed Eastern Pact.	226	446

FRANCE—continued

Date	Subject	Doc. No.	Page
1934 Sept. 30	<i>The Ambassador in France to the Foreign Ministry</i> Reports French Government now working for retention of <i>status quo</i> in Saar Territory, and reasons.	228	452
Oct. 8	<i>Ministerialdirektor Köpke to Ambassador Hassell</i> Sends, in connexion with Weizsäcker's conversations in Geneva, text of German statement, handed to Aloisi, that negotiations with French on Saar question need not be begun before plebiscite.	234	462
Oct. 10	<i>Memorandum by an Official of Department II</i> Records von der Ropp, leader of "Christian Commando", reported on conversation with French Minister for Colonies, Laval, and thought Germany should make efforts to have Laval made M.F.A.	240	471
Oct. 11	<i>Circular of the Foreign Ministry</i> Sends copy of document No. 228, states French attempts to maintain <i>status quo</i> in Saar Territory amount to treaty violation, and instructs Embassy in London to ascertain whether British Government in sympathy with French proposal.	242	474
Oct. 17	<i>The Ambassador in Great Britain to the Foreign Ministry</i> Reports on career and character of new French M.F.A., Laval.	254	491
Oct. 29	<i>The Chargé d'Affaires in France to the Foreign Ministry</i> Gives views on probable French intentions <i>vis-à-vis</i> Germany in disarmament question.	281	543
Oct. 30	<i>Senior Counsellor Frohwein to Counsellor of Embassy Forster</i> Letter stating that document No. 281 passed on to Reich Chancellery for Hitler, and to defence departments and main Missions with addition of elucidatory paragraph on Saar question.	283	547
Nov. 1	<i>Memorandum by the State Secretary</i> Records has told French Ambassador, who rang up on previous evening about frontier incident near Bitsch, that French Government's decision to hold troops in readiness for Saar Territory not justifiable, and that excitement in German press understandable and likely to increase.	290	558
Nov. 5	<i>The Foreign Minister to the Ambassador in France</i> Instructs Ambassador on language to be held to French M.F.A. regarding French Government's threat to send troops into Saar Territory and their general treatment of Saar question.	297	567
Nov. 6	<i>The State Secretary to the Embassy in France</i> States that, notwithstanding political crisis in France, <i>démarche</i> with French M.F.A. about Saar Territory must not be delayed.	300	574
Nov. 7	<i>The Foreign Minister to the Embassy in France</i> Refers to document No. 307 and states <i>démarche</i> on Saar question should nonetheless be carried out.	306	586

FRANCE—continued

Date	Subject	Doc. No.	Page
1934			
Nov. 7	<i>The Ambassador in France to the Foreign Ministry</i> Reports on conversation with Laval, who stated he regarded Saar Territory as German and desired its return to Germany, denied France had made any military preparations, promised to exert calming influence on French press if same were done in Germany, said he would state at next meeting of Council of League of Nations that France not interested in using her troops in Saar Territory, and hoped Ambassador would not have to make official <i>démarche</i> in protest against France's military precautions and general attitude over Saar question.	307	587
Nov. 8	<i>The Embassy in Great Britain to the Foreign Ministry</i> Transmits telegram from Ribbentrop for Hitler and Neurath reporting on conversation between Goy, ex-serviceman and member of French Parliamentary Committee for Foreign Affairs, and Pétain about reasons for French military measures in connexion with Saar Territory.	311	598
Nov. 10	<i>The Ambassador in France to the Foreign Ministry</i> Reports has spoken to French M.F.A. and Secretary General as instructed in document No. 297.	320	615
Nov. 12	<i>Memorandum by an Official of Department II</i> Records Director of NSKOV reported on conversations with leaders of French ex-servicemen's organizations.	321	617
Nov. 14	<i>The Ambassador in France to the Foreign Ministry</i> Welcomes establishment of relations of mutual confidence between French and German ex-servicemen's organizations, but considers independent or premature moves by German organizations undesirable.	324	624
Nov. 15	<i>Memorandum by the State Secretary</i> Informs Foreign Minister that General von Fritsch to report to Hitler on French military measures on Saar frontier, but will first report to Foreign Minister.	328	632
Nov. 16	<i>Memorandum by the Foreign Minister</i> Records conversation with French Ambassador who stated that French M.F.A. did not intend to embark on any military adventures in Saar Territory, but was merely concerned with orderly procedure for plebiscite. Poncet spoke of possible Franco-German <i>rapprochement</i> after plebiscite on basis of limitation of armaments.	330	633
Nov. 20	<i>Memorandum by the State Secretary</i> Records has had conversation with French Ambassador about negotiations on Saar plebiscite, disarmament question and proposed Eastern Pact.	340	650
Nov. 21	<i>The Director of Department II to the Embassies in Great Britain and France, the Legation in Switzerland and the Consulate at Geneva</i> States that, as French M.F.A.'s statements about attitude of Flandin Cabinet to Saar problem confirmed by his statements in Chamber of Deputies, by recent more sober attitude of French press and by moderate views expressed by French delegates at Saar negotiations in Rome, whose interest now centred on financial and economic rather than political questions, it has been decided to make fresh proposals to French for amicable solution; further favourable developments will therefore depend on whether French prepared to abandon Barthou's political demands.	343	654

FRANCE—continued

Date	Subject	Doc. No.	Page
1934 Nov. 22	<i>Memorandum by Director Weigelt</i> Records conversation with French Minister President about Germany's economic situation, Franco-German relations and Saar question.	344	656
Nov. 30	<i>Ambassador Köster to State Secretary Bülow</i> Letter repeating text of telegram to Reich Foreign Minister reporting French War Minister denied existence of Franco-Russian military alliance, stated France did not intend to raise disarmament questions before Saar plebiscite, welcomed reception in German press of his latest speech in Chamber on Army estimates, and asked that his train of thought be so reported as to avoid public discussion.	365	692
Dec. 1	<i>The Ambassador in France to the Foreign Ministry</i> Reports French Minister President Flandin complained of recent German statements made through certain French nationals, and wanted no statements, interviews, meetings or unofficial exchanges of views on all problems concerning France and Germany jointly until after Saar question settled.	367	695
Dec. 1	<i>Foreign Minister Neurath to Reichsführer Himmler</i> States has been informed by French Ambassador of reports of courses being held in Germany to prepare groups of men to carry out acts of violence in Saar Territory. Although does not accept reports as correct, wishes to bring them to Himmler's notice in view of German interest in preventing any incidents in Saar Territory.	368	697
Dec. 3	<i>The Ambassador in France to the Foreign Ministry</i> Reports has agreed with French M.F.A. that all Saar wireless propaganda to cease both in Germany and France.	370	700
Dec. 4	<i>The Director of Department II to the Embassies in Great Britain and France, the Legation in Switzerland and the Consulate at Geneva</i> States most important result of Rome negotiations is Franco-German agreement on price of Saar mines and methods of payment, comments on other points, and concludes that present French Government do not intend to make Saar Territory pretext for quarrel with Germany.	372	702
Dec. 5	<i>The Ambassador in France to the Foreign Ministry</i> Reports has discussed French policy towards Germany, especially over proposed Eastern Pact, with French M.F.A., whom he urged not to be rash about solving Eastern [European] question.	374	707
Dec. 6	<i>The Consul at Geneva to the Foreign Ministry</i> Reports has learned of telephone conversation between Laval and Eden at Geneva, when both expressed surprise at German approval of proposed reinforcement of Saar police by international forces, and believed that acquiescent mood prevailed in Germany and that now was right moment to bring pressure to bear on her in matter of rearmament.	377	713
Dec. 7	<i>Memorandum by the Foreign Minister</i> Records Franco Ambassador has told him of Franco-Russian arrangement to inform each other in case of bilateral discussions, and stated that present French Government preferred idea of Eastern Pact system to Franco-Russian alliance.	382	727

FRANCE—continued

Date	Subject	Doc. No.	Page
1934 Dec. 10	<i>Memorandum by the State Secretary</i> Records French Ambassador evinced anxiety lest Reich Minister Hess go to Paris with Ribbentrop, as this not at present convenient to French Government.	388	734
Dec. 20	<i>Memorandum by the Director of Department II</i> Records French Ambassador called to discuss German reactions to speech by Laval in Senate on December 18, forthcoming disarmament negotiations, and use being made by French Opposition of utterances by Rosenberg and of <i>Mein Kampf</i> .	399	755
1935 Jan. 4	<i>Memorandum by the State Secretary</i> Records French Ambassador called to supply information about Rome conversations and to present (attached) Franco-Italian <i>procès-verbal</i> concerning situation in Central Europe, especially Austria.	408	768
Jan. 14	<i>The State Secretary to the Embassy in France</i> States official of French Foreign Ministry reported to have said that question of demilitarization of Saar Territory would have to be settled before reintegration with Reich; discussion of this subject should be avoided and German attitude not prejudiced.	428	805
Jan. 15	<i>Memorandum by the Director of Department II</i> Conversation with French Ambassador to whom he denied alarmist rumours of activities of Austrian Legion.	433	812
Jan. 16	<i>Memorandum by the State Secretary</i> Records French Ambassador has communicated official text of <i>procès verbal</i> on Austria agreed with Mussolini in Rome and requested statement of German views.	439	823
Jan. 16	<i>Memorandum by the State Secretary</i> Records French Ambassador has handed over (annexed) memorandum on proposed Eastern Pact in reply to German Memorandum of September 10, 1934 (document No. 200; see under <i>General Policy</i>).	440	824
Jan. 16	<i>Memorandum by the State Secretary</i> Records has spoken to French Ambassador about French intention of raising question of demilitarization of Saar Territory with Council of League of Nations, and assured him Germany would not remilitarize Saar Territory or increase airfields or police force. Ambassador promised to try to inform French M.F.A. at Geneva who would probably not approve such intentions.	441	830
Jan. 17	<i>Memorandum by the State Secretary</i> Records French Ambassador telephoned to say he had drawn French M.F.A.'s attention to dangers of discussing demilitarization of Saar Territory. Has told Ambassador that extension of competence of Council of League of Nations and discussion of special prohibitions for Saar Territory could not be considered.	447	841
Jan. 17	<i>Memorandum by the State Secretary</i> Records conversations with French Ambassador about German declaration on demilitarization of Saar Territory, French desire to start negotiations on outstanding questions, question of demolition of military installations, and extent of competence of Council of League of Nations.	448	842

FRANCE—continued

Date	Subject	Doc. No.	Page
1935			
Jan. 29	<i>The Ambassador in France to the Foreign Ministry</i> Reports has informed French M.F.A. of German views on proposed Danubian Pact as instructed in document No. 460 (see under <i>Italy</i>); states is convinced Laval will insist on including mutual assistance in pact.	461	867
Jan. 30	<i>The Ambassador in France to the Foreign Ministry</i> Outlines what he believes to be French hopes and intentions regarding disarmament and financial questions in connexion with forthcoming visit of French Minister President and French M.F.A. to London.	465	880
Jan. 30	<i>Memorandum by the Foreign Minister</i> Records has handed French and Italian Ambassadors preliminary German reply regarding proposed Central European pact. French Ambassador asked about German attitude to proposed Eastern Pact.	466	883
Feb. 12	<i>The Ambassador in France to the Foreign Ministry</i> Reports conversation with French M.F.A. about Anglo-French Joint Declaration of February 3; believes Laval will hold to policy of closer Franco-Soviet relations and may conclude mutual assistance pact with U.S.S.R.	489	924
Feb. 15	<i>The Ambassador in France to the Foreign Ministry</i> Submits memorandum on preliminary results of frequent and detailed conversations between Forster and Massigli on demilitarization of Saar Territory. States Massigli took view that French desired speedy settlement but not one which would prejudice their views on general questions in advance, and requests instructions.	495	936
Feb. 20	<i>The Acting State Secretary to the Embassy in France</i> Refers to document No. 495 and sends instructions on language to be held by Forster in further conversations with Massigli on demilitarization of Saar Territory.	497	941
Feb. 21	<i>The Ambassador in France to the Foreign Ministry</i> Refers to document No. 497 and submits further memorandum on conversations between Forster and Massigli about demilitarization of Saar Territory, in which there was failure to reach agreement on certain outstanding points.	499	944
Feb. 22	<i>The Ambassador in France to the Foreign Ministry</i> Reports has discussed German reply to Declaration on Anglo-French conversations with French M.F.A., who requested official German views on <i>assistance mutuelle</i> in proposed Eastern Pact.	502	955
Feb. 26	<i>Memorandum by an Official of Department II</i> Records instructions transmitted to Forster in connexion with enclosure to document No. 499.	506	962
Mar. 1	<i>The Embassy in France to the Foreign Ministry</i> Forster encloses copies of Notes exchanged with French M.F.A. regarding demilitarization of Saar Territory.	513	972
Mar. 6	<i>The Ambassador in France to the Foreign Ministry</i> Refers to document No. 461, transmits French <i>aide-mémoire</i> in reply to German enquiries regarding proposed Central European pact (document No. 460, enclosure; see under <i>Italy</i>), and reports explanations given by French Secretary General.	518	980

FRANCE—continued

Date	Subject	Doc. No.	Page
1935 Mar. 13	<i>Memorandum by an Official of Department II</i> Reviews French and Italian replies (documents Nos. 518 and 520; for the latter see under <i>Italy</i>) to German Note on Rome agreements of January 7, 1935 (enclosure to document No. 460; see under <i>Italy</i>).	527	996
Mar. 15	<i>Unsigned Memorandum</i> Discussion of French and Italian replies (documents Nos. 518 and 520; for the latter see under <i>Italy</i>) to German Note on Rome agreements of January 7, 1935 (enclosure to document No. 460; see under <i>Italy</i>).	530	1002
Mar. 20	<i>Editors' Note</i> French telegram to Secretary General of League of Nations protesting at action of German Government in reintroducing conscription and creating a military air force in violation of German treaty obligations.		1030
Mar. 20	<i>Note from the French Embassy</i> Protest against Reich Defence Law of March 16 and setting up of German military air force as unilateral repudiation of treaty obligations. [See also under <i>Great Britain</i> and <i>Italy</i> .]	548	1031

GENERAL POLICY

Date	Subject	Doc. No.	Page
1934 June 18	<i>Ministerialdirektor Köpke to Minister Koch</i> Letter stating has had discussion about policy over German national community abroad, especially Sudeten Germans, with Standartenführer Kersken, in charge of <i>volksdeutsch</i> questions in the office of the Führer's Deputy; latter complained of conduct of German Legation in Prague.	16	42
June 30	<i>Editors' Note</i> Events of June 30 in Germany.		117
July 3	<i>Minutes of the Conference of Ministers held on July 3, 1934, at 10 a.m.</i> Hitler gives account of events leading up to, and action taken on, June 30, 1934, and submits Bill for defence of State in emergency; Cabinet pass Bill.	55	118
July 17	<i>Memorandum by the Foreign Minister</i> Records Reich Chancellor approves Foreign Ministry's policy regarding Franco-Russian proposals for Eastern Pact.	93	183
July 23	<i>State Secretary Bülow to Foreign Minister Neurath</i> Reviews attitude to Eastern Pact question of countries concerned, states German decision cannot long be delayed, outlines possible courses of action, and stresses Germany's policy must be governed by her rearmament plans.	109	214
July 26	<i>Memorandum by an Official of Department II</i> Describes approach made by Major Pabst, representing Rheinmetall-Borsig company, for advice on contract for supply of arms to Greece, which requires decision whether, despite prohibition on export of arms contained in Treaty of Versailles and Reich law, this contract should be facilitated by a Reich export guarantee.	124	253

GENERAL POLICY—continued

Date	Subject	Doc. No.	Page
1934			
Aug. 2	<i>Editors' Note</i> Death of Hindenburg and succession of Hitler who becomes both Reich President and Reich Chancellor.		281
Aug. 16	<i>State Secretary Bülow to Foreign Minister Neurath</i> Considers time has come for defining German attitude to Eastern Pact, and discusses questions which will affect this.	162	325
Aug. 18	<i>Foreign Minister Neurath to the Führer and Chancellor (at Obersalzberg)</i> Requests audience with Hitler in order to report on Eastern Pact question, as decision can no longer be delayed.	164	332
Aug. 29	<i>Memorandum by a Deputy Director of Department IV</i> Describes unfavourable effect of Aryan legislation on relations with Japan and suggests measures to counteract this.	182	367
Aug. 31	<i>State Secretary Bülow to Foreign Minister Neurath</i> Submits re-drafted memorandum on proposed Eastern Pact, discusses alterations now made, and urges that memorandum be communicated in London, Paris, Moscow and Rome with all speed.	188	377
Sept. 3	<i>The State Secretary to the Embassies in Great Britain, France, Italy and the Soviet Union</i> Sends memorandum on proposed Eastern Pact, with instructions on language to be held when communicating it.	190	380
Sept. 4	<i>Memorandum by the Director of Department IV</i> Instructions from Neurath that Hitler wishes to see German memorandum on proposed Eastern Pact before it is communicated in London, Paris, Moscow and Rome, and that Ambassadors concerned to take no action.	191	382
Sept. 8	<i>Memorandum from the German Government</i> States views of German Government on Eastern Pact proposed by French, Soviet and British Governments.	200	396
Nov. 16	<i>Memorandum by the Head of Referat Deutschland</i> Encloses memorandum on departmental conference on how to counteract harmful repercussions of Germany's racial policy on relations with foreign States, and proposals adopted.	331	634
Nov. 23	<i>Memorandum by an Official of Department II</i> Records interdepartmental discussion concerning question of Reich control of armaments trade with foreign countries and of Reich guarantees or credits for armaments orders from abroad.	351	666
1935			
Jan. 8	<i>The Foreign Minister to the Führer and Chancellor</i> Letter enclosing observations on agreements reached in Rome between Mussolini and Laval regarding Danubian region and copy of document No. 408 (see under <i>France</i>).	418	792
Jan. 15	<i>The Ambassador in Great Britain to the Foreign Ministry</i> Reviews Germany's current position in international politics, discusses Eastern Pact question, Rome agreements, armaments question, and question of Germany's return to League of Nations, and outlines future policy.	434	813

GENERAL POLICY—continued

Date	Subject	Doc. No.	Page
1935			
Jan. 16	<i>Memorandum by the Foreign Minister</i> States German policy over treatment of armaments question.	436	821
[Jan. 16]	<i>Unsigned Memorandum</i> Gives general directions regarding German attitude towards Franco-Italian Rome protocols of January 7 on Central European pact.	438	822
Jan. 17	<i>The Foreign Minister to the Ambassadors in Great Britain, France, Italy, the Soviet Union, Poland and the United States and to the Minister in Switzerland</i> Supplements instructions already issued by giving details of German view on certain current political questions, notably Saar, proposed Danubian Pact, proposed Eastern Pact, disarmament, and League of Nations.	446	838
Jan. 19	<i>Memorandum by the State Secretary</i> Sends Directors of Departments II and V notes on ideas for German reply to Franco-Italian <i>procès-verbal</i> agreed in Rome on January 7; Germany, while emphasizing her point of view, should not make too negative a reply; suggests certain counter proposals.	453	850
Jan. 23	<i>Memorandum by the State Secretary</i> States, in connexion with (annexed) draft for <i>exposé</i> to Reich Cabinet by Foreign Minister on Rome agreements and state of Eastern Pact question, that, in any international negotiations, it should be assumed that Germany has now definitely achieved equality of rights.	454	852
Jan. 24	<i>Minute by the Foreign Minister</i> Records that, with reference to German action to be taken over Franco-Italian projected Central European pact, Hitler has agreed to Germany's recognizing principle of non-intervention and declaring herself prepared to participate in discussions while at the same time asking for certain questions to be clarified.	455	858
Jan. 25	<i>Memorandum by the Head of Referat Deutschland</i> Policy of consideration for foreign races and nationalities initiated at departmental conference of November 15, 1934, having expressly excluded Jews, concessions to Jews must not on principle be demanded by home departments for reasons of foreign policy.	458	859
Jan. 30	<i>Note by an Official of Referat Deutschland</i> States Referat Deutschland has always resisted any tendency towards compromise on Jewish question, and suggests that Reich Foreign Minister's attention be drawn to his note on document No. 458 which would appear to depart from this principle.	467	884
Feb. 9	<i>The Reich Ministry of the Interior to the Foreign Ministry</i> Encloses memorandum on departmental discussion of November 15, 1934, on harmful effects of Germany's racial policy on her foreign relations and proposals for counter-acting these.	486	917
Mar. 16	<i>The Foreign Minister to the Embassies in Italy, Great Britain, France and Poland</i> States Reich Government have approved law reintroducing universal military service in Germany and fixing number of divisions of new active army at 36.	532	1005

ANALYTICAL LIST OF DOCUMENTS

XXXIII

GENERAL POLICY—continued

Date	Subject	Doc. No.	Page
1935 Mar. 18	<i>The Foreign Minister to the Embassies in Italy, Great Britain, France and Poland</i> Refers to document No. 532 and states publication of Defence Law does not mean that Germany refuses to negotiate on armaments and other problems, but that she will now negotiate on equal footing with other Powers. Law only applies to Part V of Treaty of Versailles, but not to Part III and Rhineland demilitarized zone.	537	1014
Mar. 18	<i>Memorandum by the Foreign Minister</i> Records that on March 16 Hitler informed French, British, Italian and Polish Ambassadors of reintroduction of universal military service.	538	1015
Mar. 19	<i>President of the Reichsbank Schacht to Chancellor Hitler</i> Encloses copy of letter to Head of Colonial Policy Office of NSDAP giving views on colonial question.	544	1025
Mar. 20	<i>Memorandum by an Official of Department II</i> Records information received from Reichswehr Ministry about conversations held there with British and French Military Attachés who called to learn about purpose and scope of law on expansion of Wehrmacht, and expressed anxiety about Germany adhering to provisions concerning Rhineland demilitarized zone.	547	1030
Mar. 20	<i>President of the Reich Colonial League Schnée to Chancellor Hitler</i> Encloses memorandum on "Germany's Equality of Rights and the Colonial Question".	549	1033
Mar. 29	<i>Memorandum by the Foreign Minister</i> Records has received Polish, Russian and Japanese Ambassadors and Belgian Minister, who all desired information on Anglo-German conversations; Belgian Minister stated his Government regretted introduction of universal military service in Germany and enquired about German attitude on demilitarized zone; Russian Ambassador asked about conversations on Eastern Pact; has informed Japanese Ambassador that Germany had made favourable settlement of colonial question pre-requisite for return to League of Nations.	565	1104

GREAT BRITAIN

Date	Subject	Doc. No.	Page
1934 June 16	<i>The Director of the Economic Department to the Embassy in Great Britain</i> Describes position reached in negotiations with Netherlands and Switzerland on question of transfer payments, and discusses possibilities of reaching agreement with France; requests information as to what basis British Government envisaging for possible agreement on this subject.	9	16
June 18	<i>The Ambassador in Great Britain to the Foreign Ministry</i> Refers to document No. 9 and reports unofficial views obtained from Bank of England; latter opposed to adoption of Anglo-German clearing system and would prefer other methods.	12	21

GREAT BRITAIN—continued

Date	Subject	Doc. No.	Page
1934			
June 21	<i>The Ambassador in Great Britain to the Foreign Ministry</i> Reports has had conversation with King, who enquired about internal position in Germany, stressed need for German return to League of Nations, and drew attention to British irritation over German decision to stop transfers for service of Reich Loan.	20	50
June 21	<i>The Ambassador in Great Britain to the Foreign Ministry</i> States has reason to believe prospects of German-British negotiations on transfer question not as remote as would appear from statements by Sir F. Leith-Ross and from British Note of June 20, in view of attitude of Governor of Bank of England and remarks made by Chancellor of Exchequer; recommends that negotiations be opened and serious efforts made to reach agreement.	21	51
June 23	<i>The Ambassador in Great Britain to the Foreign Ministry</i> Reports on conversation with Prime Minister about suspension of interest payments on Reich loan and Germany's attitude over disarmament.	28	70
June 23	<i>The Foreign Minister to the Embassy in Great Britain</i> Instructs Ambassador to inform British Government that Germany prepared to send delegation to London for transfer negotiations on basis of official British statement that prepared not to set up Anglo-German clearing office if agreement ensuring fair treatment for British subjects concerned negotiated before July 1, but that Germany must insist on "fair treatment" applying to both sides; Ambassador to express regret at British Government attempting to force Germany to negotiate under pressure.	29	72
June 25	<i>The Ambassador in Great Britain to the Foreign Ministry</i> Reports has carried out instructions in document No. 29 and stresses that, in conversation on same subject, Chancellor of Exchequer denied any intention of exerting pressure on Germany and stated clearing project merely intended to safeguard rights of British nationals if required.	35	85
June 25	<i>Minute by an Official of the Reich Chancellery</i> Submits draft law on "application of measures for economic reprisals against foreign countries" designed to exert pressure on British Parliament in respect of British Debts Clearing Office and Import Restriction Reprisals Bill, which is primarily aimed at Germany.	36	86
June 26	<i>Reich Minister of Economics Schmitt to Foreign Minister Neurath</i> Letter enclosing minute of views of Reich Ministry of Economics on British Note regarding suspension of transfer payments of June 20, review of economic, financial and political consequences of possible German-British economic conflict and of imposition of forced clearing by Britain, and assessment of what conciliatory attitude on part of Germany would entail.	38	89
June 28	<i>The Embassy in Great Britain to the Foreign Ministry</i> Report from head of German delegation, negotiating on transfer question in London, on difficulties encountered. Situation considered grave and may require immediate decision in Berlin.	42	96

GREAT BRITAIN—continued

Date	Subject	Doc. No.	Page
1934			
June 29	<i>The Director of the Economic Department to the Embassy in Great Britain</i> Instructs German economic delegation to inform British Government that Germany has noted with satisfaction British concessions over transfers of Dawes and Young loans, that British demand for 4 per cent funding bonds guaranteed redeemable at 75 per cent must be refused, that German-Swiss and German-Dutch agreements not yet certain, and that Germany prepared to begin negotiations on payments agreement with United Kingdom.	44	101
June 29	<i>Ambassador Phipps to Foreign Minister Neurath</i> Letter referring to Anglo-German transfer negotiations being held in London. States his Government unable to entertain German proposal to pay interest on Dawes and Young loans in return for United Kingdom guaranteeing to take additional German exports, but wish to point out that Germany can only expect present favourable conditions to continue if she undertakes not to cut down British trade or prevent United Kingdom creditors from receiving payment.	46	103
June 30	<i>The Ambassador in Great Britain to the Foreign Ministry</i> Has spoken to Foreign Secretary about speculations in British press concerning alleged discussions between French and British Staffs and British plan to bring Belgium and Netherlands into British defence system. Foreign Secretary described this as nonsense and said he had in mind, in order to reassure Belgium, statement in House of Commons that Britain would not tolerate violation of Belgian integrity.	47	104
June 20	<i>Memorandum by the Foreign Minister</i> Records has informed British Ambassador of concessions in respect of transfers of Dawes and Young loan interest which German negotiators in London instructed to make, but that remaining British demands unacceptable.	49	108
July 3	<i>The Foreign Minister to the Embassy in Great Britain</i> Refers to document No. 47 and states that statement which Foreign Secretary is considering making in Commons would, in present circumstances, be taken to mean that Britain feared German attack on Belgium. Germany would not object to Britain's reaffirming Locarno Rhine Pact, but expects Britain to give same weight to her obligations to Germany as to those to France and Belgium.	52	113
July 3	<i>The Directorate of the Reichsbank to the Foreign Ministry</i> States it would be intolerable if condition on which negotiations for clearing arrangement entered into with Switzerland and involving certain favourable conditions for Germany were to be abandoned; objects to concessions offered by German negotiators in London and states Reichsbank representative on London delegation instructed to refuse to sign any agreements with British, to avoid giving impression that Reichsbank guaranteeing punctual transfer of interest.	53	115
July 3	<i>The Foreign Ministry to the Directorate of the Reichsbank</i> Refers to document No. 53 and states decision to make concessions in question in transfer negotiations in London taken jointly by Foreign, Finance, and Economic Ministers, and no reservation made at that time regarding points now raised by Reichsbank.	54	116

GREAT BRITAIN—continued

Date	Subject	Doc. No.	Page
1934 July 4	<i>Memorandum by the Director of the Economic Department</i> Records instructions given delegation negotiating on transfers in London following Cabinet meeting; Britain not to be given opportunity of holding Germany responsible for possible failure of negotiations through rejection of promise of non-discrimination. Such promise therefore to be made on condition that it be reciprocal.	58	126
July 5	<i>Memorandum by the State Secretary</i> Records has telephoned German Ambassador in Great Britain to carry out instructions in document No. 52 unaltered in spite of Ribbentrop's counter-instructions.	60	129
July 5	<i>The Foreign Minister to the Embassy in Great Britain</i> Refers to document No. 52 and sends instructions to oppose any British statement directed solely against Germany.	63	133
July 6	<i>The Ambassador in Great Britain to the Foreign Ministry</i> Reports has discussed Memel question with British Foreign Secretary who stated unofficially that his Government held reasons given by Lithuania for dismissing Directorate required investigation, but reserved definite statement of views until after had studied German Note.	68	139
July 7	<i>The Ambassador in Great Britain to the Foreign Ministry</i> Refers to documents Nos. 52 and 63 and reports conversation with Foreign Secretary about problem of European security, idea of German-Belgian non-aggression pact, and possible British declaration in Commons in favour of Belgium.	71	144
July 7	<i>The Ambassador in Great Britain to the Foreign Ministry</i> Reports attitude of British press and public opinion to events in Germany of and after June 30 has become more hostile, chiefly owing to constant reports about further victims; suggests publishing list of persons punished and fresh statement of facts.	72	147
July 9	<i>State Secretary Bülow to Ambassador Hoesch</i> Letter discussing question of possible German-Belgian non-aggression pact, and concluding it would be undesirable.	73	148
July 10	<i>The President of the Reichsbank to the Foreign Minister</i> States has informed American Ambassador, who asked his opinion of Anglo-German Transfer Agreement, that Reichsbank had not participated in conclusion of this Agreement and that did not himself approve of British desire to exert pressure on Germany to detriment of other creditors.	79	156
July 12	<i>The Ambassador in Great Britain to the Foreign Ministry</i> Reports on what has learned about conversations between British Government and French M.F.A., Barthou, in London.	84	162
July 12	<i>Memorandum by the Foreign Minister</i> Interview with British Ambassador who informed him of results of recent Anglo-French conversations in London and conveyed his Government's recommendation for an Eastern Pact between Poland, Russia, Germany, Czechoslovakia, Finland, Latvia and Lithuania. Ambassador furnished copies (attached) of (i) original French proposal for treaty of regional assistance, and (ii) British proposals accepted by France.	85	164

GREAT BRITAIN—continued

Date	Subject	Doc.No.	Page
1934			
July 13	<i>Circular of the Foreign Minister</i> States British Ambassador has handed over drafts of proposed regional Eastern Pact, Franco-Russian guarantee agreement, and general agreement between signatories of Eastern Pact and France, and <i>aide-mémoire</i> on British proposed amendments. Gives instructions on language to be held.	80	168
July 16	<i>Memorandum by the State Secretary</i> Records German Military Attaché in London has told him that accommodating British attitude to Eastern Pact proposals due to anxiety over German air armaments.	90	174
July 17	<i>Ambassador Hoesch to State Secretary Bülow</i> Letter replying to document No. 73 and discussing Simon-Ribbentrop conversation on May 10, 1934, at which idea of German-Belgian non-aggression pact first raised, and line subsequently taken by British on this.	94	183
July 19	<i>Memorandum by the State Secretary</i> Refers to document No. 90 and records has further discussed problem of German air armaments with Military Attaché in London.	98	189
July 19	<i>Ambassador Hoesch to State Secretary Bülow</i> Suggests that, in order to allay British anxiety, Germany abide by her statement of April 16 (see vol. II of this Series).	99	190
July 20	<i>The Ambassador in Great Britain to the Foreign Ministry</i> Refers to document No. 92 (see under U.S.S.R.) and reports conversation with Simon and Eden on question of proposed Eastern Pact.	102	200
July 21	<i>The Ambassador in Great Britain to the Foreign Ministry</i> Submits observations on questions arising from proposed Eastern Pact.	104	206
July 26	<i>The Ambassador in Great Britain to the Foreign Ministry</i> Refers to documents Nos. 102 and 104 and reports difference of opinion between Simon and Eden about linking Germany's demand for equality with her entry into proposed Eastern Pact.	120	249
July 31	<i>The Military Attaché in Great Britain to the Foreign Ministry</i> Discusses political, strategic and psychological reasons for recent change in British policy.	138	275
Aug. 15	<i>Memorandum by the Director of Department III</i> Records British Chargé d'Affaires communicated (attached) Note on need for speedy settlement of outstanding German commercial debts; has informed Chargé that did not think negotiations would lead to any result now.	160	318
Aug. 25	<i>Minute by an Official of the Economic Department</i> Records is informed that President of the Reichsbank Schacht does not intend to approach Governor of Bank of England about possibility of advance in respect of arrears due on goods delivered but expects Norman will take initiative; Schacht of opinion that British Note (enclosure to document No. 160) should not be answered.	176	359

GREAT BRITAIN—continued

Date	Subject	Doc. No.	Page
1934 Aug. 30	<i>Minute by an Official of the Economic Department</i> Records is informed President of Reichsbank Schacht still insisting on no reply being made to British Note (enclosure to document No. 160) and desires Foreign Ministry to give notice of termination of Anglo-German Exchange Agreement.	185	371
Sept. 11	<i>The Chargé d'Affaires in Great Britain to the Foreign Ministry</i> Reports has communicated document No. 200 (see under <i>General Policy</i>) to Sir R. Vansittart, adding explanatory remarks about German Government's views on proposed Eastern Pact.	203	405
Sept. 11	<i>The Chargé d'Affaires in Great Britain to the Foreign Ministry</i> Refers to document No. 196 (see under <i>Lithuania</i>) and reports has enquired at Foreign Office whether British Government in fact considering refraining from <i>démarche</i> in Kovno over Memel question; is informed difficulties have arisen over collective <i>démarche</i> by Powers signatories to Memel Convention, but Britain urging need for such <i>démarche</i> .	205	407
Sept. 17	<i>The Chargé d'Affaires in Great Britain to the Foreign Ministry</i> Reports further developments in conflict within Evangelical Church being followed in Britain with attention and anxiety.	211	415
Sept. 21	<i>The Chargé d'Affaires in Great Britain to the Foreign Ministry</i> Reports on unfavourable repercussions in Britain of Reich Bishop's speech at Hanover on September 19.	218	425
Oct. 12	<i>The Chargé d'Affaires in Great Britain to the Foreign Ministry</i> Reports has been informed by Bishop of Chichester, also on behalf of Archbishop of Canterbury, that, should reports on Reich Bishop's action against opposition in Southern Germany prove correct, complete breach between Protestant Churches abroad and German Protestant Churches under Reich Bishop inevitable; British complaints about Reich Government support for Reich Bishop's action.	246	478
Oct. 17	<i>The Ambassador in Great Britain to the Foreign Ministry</i> Reports on conversation about Church conflict in Germany with Archbishop of Canterbury who stated general denunciation of German Evangelical Church likely if matters did not improve soon.	252	487
Oct. 26	<i>Senior Counsellor Roediger to Ambassador Hoesch</i> States ceremony at which Reich Bishop to take oath of allegiance to Hitler postponed indefinitely.	272	533
Oct. 27	<i>Sir Frederick Leith-Ross to Reichsbank President Schacht</i> States British Government prepared to consider alternative trade agreement, provided Germany makes satisfactory arrangements regarding payment for imports from Britain, liquidation of frozen trade debts to British, question of arrears under Sondermark Agreement, payment of British coupons of Dawes and Young loans and funding scheme for non-Reich loans; if proposed alternative proves unworkable, clearing arrangement to come into force.	277	539
Oct. 27	<i>Memorandum by the State Secretary</i> Records that, at discussion on document No. 277, Hitler approved proposal regarding payment of British coupons of Dawes and Young loans.	278	541

GREAT BRITAIN—continued

Date	Subject	Doc. No.	Page
1934			
Oct. 29	<i>The Ambassador in Great Britain to the Foreign Ministry</i> Encloses letter from Archbishop of Canterbury, who welcomes recent <i>détente</i> in Church conflict in Germany, and states has, for the present, suspended any action such as he had mentioned.	282	546
Nov. 1	<i>The Ambassador in Great Britain to the Foreign Ministry</i> Reports has had conversation with British Prime Minister about recent development of German air fleet, and has suggested Anglo-German exchange of views.	289	556
Nov. 9	<i>The Ambassador in Great Britain to the Foreign Ministry</i> Reports has protested about possibility of French military incursion into Saar Territory and communicated substance of document No. 297 (see under <i>France</i>) to British Foreign Secretary, who replied that British Government solely concerned in ensuring fair plebiscite and therefore did not desire French occupation of Saar Territory, and that there was no secret Franco-British understanding.	314	602
Nov. 14	<i>The Embassy in Great Britain to the Foreign Ministry</i> Encloses letter from Archbishop of Canterbury, who welcomes <i>détente</i> in Church conflict in Germany which has, for the present, relieved him of necessity of taking public action.	326	628
Nov. 16	<i>The Commissioner for Disarmament Questions to the Reich Chancellor and the Foreign Minister</i> Reports on conversations with Eden on November 12 and with Simon and Eden on November 13 on disarmament question; believes British appreciate German demand for equality of rights but wish to keep its realization on smallest possible scale.	333	638
Nov. 17	<i>The State Secretary to the Embassy in Great Britain</i> States British Embassy have been putting out feelers regarding possible visit by Eden to Berlin; instructs Ambassador to report whether anything known in Britain about such intentions.	334	641
Nov. 27	<i>The Ambassador in Great Britain to the Foreign Ministry</i> Reports has been informed by Foreign Secretary that British Ambassador in Berlin to make <i>démarche</i> to Hitler on question of German rearmament; Simon read out memorandum which was to form basis of Government statement in forthcoming debate in Commons, and added that <i>démarche</i> not an actual protest but expression of British disquiet.	355	674
Nov. 27	<i>Memorandum by the Foreign Minister</i> Records interview with British Ambassador who carried out instructions foreshadowed in document No. 355; pointed out in reply that statement based on incorrect data and that Germany would not be deflected from carrying through armaments listed in statement of April 16.	356	676
[Nov. 27]	<i>Unsigned Memorandum</i> Records observations made by Hitler to British Ambassador in connexion with forthcoming British Government statement in Commons concerning German armaments.	358	680
Nov. 28	<i>Memorandum by an Officer of the Naval Command</i> Encloses memorandum on conversation at which Chief of Naval Command informed British Naval Attaché of German Navy's views on naval armaments questions.	360	685

Date	Subject	Doc. No.	Page
1934 Dec. 19	<i>The Ambassador in Great Britain to the Foreign Ministry</i> Reports on conversation with Eden about British suggestion for international police force for Saar; Eden's impressions of Laval; forthcoming session of Council of League of Nations; question of further treatment of disarmament problem, and French desire to make German entry into proposed Eastern Pact condition for granting her equality of rights.	396	749
1935 Jan. 5	<i>Memorandum by an Officer of the Naval Command</i> Notes on conversations with British Naval Attaché about forthcoming Naval Conference.	416	789
Jan. 10	<i>The Ambassador in Great Britain to the Foreign Ministry</i> Reports conversation with Foreign Secretary whom he asked not to allow matters in Geneva to get as far as plan for settlement of armaments problem to prejudice of possible general agreement later, and Simon's reply.	421	797
Jan. 10	<i>State Secretary Bülow to State Secretary Meissner</i> States is anxious for Lord Allen of Hurtwood, who is about to visit Berlin, to be received by Hitler, and gives reasons; asks that appropriate request be conveyed to Hitler.	422	798
Jan. 17	<i>The Ambassador in Great Britain to the Foreign Ministry</i> Reports Marquess of Lothian, who is about to visit Berlin to attend meeting of Rhodes Scholarships Selection Committee, anxious to meet Hitler, Reich Foreign Minister, and Reichswehr Minister, and urges that he be received.	445	837
Jan. 29	<i>The State Secretary in the Reich Chancellery to the Foreign Ministry</i> Encloses memorandum on conversation between Hitler and Lord Allen of Hurtwood on January 25 about political situation in Europe and disarmament question.	463	873
Jan. 30	<i>Memorandum by an Official of Department II</i> Encloses notes on conversation between Lord Lothian, Reichswehr Minister, Reich Minister Hess, Ribbentrop and Haushofer about armaments questions.	468	885
Jan. 31	<i>The Ambassador in Great Britain to the Foreign Ministry</i> Reports has informed Foreign Secretary of German views on Franco-Italian Rome Agreements and handed him copy of Note (enclosure to document No. 460; see under <i>Italy</i>). In reply, Foreign Secretary set forth British attitude.	469	887
Feb. 4	<i>Memorandum by an Official of Department II</i> Records Lt. Col. von Böckmann (Reichswehr Ministry) asked for Foreign Ministry's views on Franco-British Declaration of February 3, and said that Reichswehr Ministry in favour of air convention proposed in Declaration.	479	904
Feb. 6	<i>The Ambassador in Great Britain to the Foreign Ministry</i> Encloses memorandum by Counsellor of Embassy on conversation with First Secretary of French Embassy about Anglo-French conversations.	483	910
Feb. 14	<i>Memorandum by the Foreign Minister</i> Records has handed British and French Ambassadors German reply to Anglo-French Joint Declaration of February 3.	490	927

GREAT BRITAIN—continued

Date	Subject	Doc. No.	Page
1935			
Feb. 22	<i>The Ambassador in Great Britain to the Foreign Minister</i> Reports Counsellor of Embassy learned from Head of Central Department of Foreign Office that Britain prepared for German-British exchange of views, provided Germany willing to discuss all questions mentioned in Anglo-French Joint Declaration of February 3.	501	953
Feb. 22	<i>Memorandum by the Foreign Minister</i> Records British Ambassador asked him to confirm that Germany's willingness to negotiate on air convention did not imply refusal to discuss other problems mentioned in Anglo-French Joint Declaration of February 3. Has confirmed this.	503	958
Mar. 6	<i>The Foreign Minister to the Embassies in France, Italy and Great Britain</i> States resentment caused by British White Paper on German rearmament has led to postponement of Sir John Simon's visit to Berlin.	517	979
Mar. 6	<i>The Ambassador in Great Britain to the Foreign Ministry</i> Reports on attitude of British Government and public opinion to postponement of Sir John Simon's visit to Berlin and on reasons for publication of White Paper; has learned British Government would welcome German statement of willingness to receive Foreign Secretary.	519	983
Mar. 12	<i>Memorandum by the Foreign Minister</i> Records British Ambassador telephoned to enquire whether convenient for Simon and Eden to visit Berlin on March 25 and 26. Has replied that, unless Hitler has made other arrangements, these dates convenient.	526	995
Mar. 15	<i>The Ambassador in Great Britain to the Foreign Ministry</i> Reports Simon's views on probable course of conversations during his own forthcoming visit to Berlin and Eden's visit to Moscow.	528	997
Mar. 16	<i>The Foreign Minister to the Embassy in Great Britain</i> Refers to document No. 528, states that, contrary to Simon's assumption, Germany does not intend to inform him of extent of her armaments but merely to discuss limitation of armaments applying equally to all, and asks whether Simon has actually mentioned non-intervention in connexion with Eastern European problems.	531	1004
Mar. 18	<i>Memorandum by the Foreign Minister</i> Records has rejected protest in British Note, communicated by British Ambassador, against unilateral introduction of universal military service and construction of military air force in Germany, and has confirmed Germany still prepared to discuss points in Anglo-French Joint Declaration of February 3, except question of military service.	539	1015
Mar. 19	<i>The Embassy in Great Britain to the Foreign Ministry</i> Reports that German desire to fix size of German Navy at 35 per cent of British Navy published in British press; Naval Attaché has had conversation about German wishes with Commander Schwert of Admiralty Intelligence Division.	541	1017

Date	Subject	Doc. No.	Page
1935 Mar. 19	<i>The Ambassador in Great Britain to the Foreign Ministry</i> Reviews European political situation and attitude to introduction of universal military service in Germany; believes Germany's future depends on attitude taken by Britain, stresses importance of British Foreign Secretary's forthcoming visit, and suggests line to be taken by Germany.	542	1018
Mar. 23	<i>The Ambassador in Great Britain to the Foreign Ministry</i> Reports on British Cabinet's views on recent events in Germany.	552	1040
Mar. 25	<i>Unsigned Memorandum</i> Records substance of conversations between Hitler and British Ministers concerning proposed Eastern Pact, proposed Central European Pact of Non-Intervention (Danubian Pact), German-Austrian relations, question of Germany's return to League of Nations, German inferiority with regard to colonies, proposed limitation of naval and military armaments and proposed air pact.	555	1043
Mar. 27	<i>Note by an Officer of the Naval Command</i> Records account given by Hitler to officers of Naval Command of negotiations with British Foreign Secretary about German demand for a navy amounting to 35 per cent of British tonnage, and about German participation in 1935 Naval Conference.	560	1086
Mar. 29	<i>Circular of the Foreign Minister</i> Informs principal German Missions and Consulate at Geneva of course of Anglo-German conversations, and encloses text of German proposals, as handed to British Ministers, for terms of Eastern Pact.	564	1091
Mar. 29	<i>Circular of the Foreign Minister</i> Refers to document No. 564, and states no objection to information contained therein being used in official conversations.	566	1105
Mar. 30	<i>The Ambassador in Great Britain to the Foreign Ministry</i> Reports has discussed Anglo-German conversations with Foreign Secretary, pointed out difficulties caused by inclusion of Russia in proposed solutions, and protested against unfriendly attitude of British press. [See also under <i>Military Policy</i> .]	567	1105

HUNGARY

Date	Subject	Doc. No.	Page
1934 Aug. 7	<i>The State Secretary in the Reich Chancellery to the Foreign Ministry</i> Transmits memorandum on conversation between Hitler and Hungarian M.F.A. on possibilities of German-Austrian reconciliation.	150	295
Oct. 25	<i>Memorandum by the Foreign Minister</i> Records conversation with Hungarian Minister in Berlin who feared lest Göring's recent visit to Belgrade might have been occasion for concerting anti-Hungarian policies there.	269	530

ANALYTICAL LIST OF DOCUMENTS

XLIII

HUNGARY—continued

Date	Subject	Doc. No.	Page
1934 Oct. 26	<i>Memorandum by the Foreign Minister</i> Records conversation with Hungarian Minister, who, acting on instructions, made representations about statements made by Göring in Belgrade and about alleged German press hostility to Hungary.	273	534
Nov. 6	<i>Counsellor of Legation Schnurre to Ministerialdirektor Köpke</i> Transmits two memoranda: (i) containing observations made by Hungarian Minister President Gömbös on Göring's visit to Belgrade, and (ii) on his own conversation on same topic with Hungarian Minister in Berlin.	305	583
Nov. 17	<i>Memorandum by the Foreign Minister</i> Records conversation with Hungarian Minister, who, stating he was acting on official instructions, again complained of statements opposing treaty revision attributed to Göring in Belgrade and of other instances of unfriendly German policy towards Hungary. Minister asserted Hungary would form anti-German Danubian Confederation with Czechoslovakia and Austria if Germany did not abandon her friendly relations with Yugoslavia.	336	643
Nov. 23	<i>Memorandum by the State Secretary</i> Records conversation with Hungarian Minister who referred to previous conversation with Foreign Minister (see document No. 336), put his Government's questions in more moderate tone and explained they had no intention of threatening Germany with Hungarian defection to Little Entente.	349	665
Dec. 21	<i>Minister Stieve to Minister Mackensen</i> Letter discussing proposal for a reply to letter to Hitler sent by Hungarian Minister President on February 4, 1934.	400	757
1935 Jan. 4	<i>Memorandum by the State Secretary</i> Records Hungarian Minister enquired about German views on Hungarian report, communicated previous day, about proposed Franco-Italian agreements, especially concerning Austria.	410	774
Jan. 12	<i>Memorandum by the Foreign Minister</i> States that Hitler does not wish to reply to letter sent him by Hungarian Minister President on February 14, 1934, but has learned that Gömbös wishes to visit Berlin. [See also under <i>Italy</i> .]	426	803

ITALY

Date	Subject	Doc. No.	Page
1934 June 15	<i>Memorandum by the Foreign Minister</i> Note of substance of conversations between Mussolini and Hitler at Venice on June 14, 1934, on Austrian question, and on June 15 on disarmament question, Germany's possible return to Disarmament Conference and League of Nations, British and French attitude to disarmament, and Italo-French and Italo-German relations.	5	10

ITALY—continued

Date	Subject	Doc. No.	Page
1934			
June 15	<i>Memorandum by the Foreign Minister</i> States has had conversations with Mussolini and Suvich and has told former that has informed Litvinov of German reasons for rejecting proposed Eastern Pact; Mussolini concurred with reasons given.	6	13
[June 15]	<i>Unsigned Memorandum</i> Lists points noted by Italians as being Hitler's views on Austrian question.	7	13
June 16	<i>Circular of the Foreign Minister</i> Information and instructions on Hitler-Mussolini conversations in Venice on June 14 and 15, 1934.	10	18
June 19	<i>Memorandum by the Foreign Minister</i> States is informed by Hitler that in conversations with Mussolini question of colonies not raised and Danubian question only briefly discussed.	19	50
June 21	<i>The Ambassador in Italy to the Foreign Ministry</i> Reports on reactions of Italian Government on press and public opinion to Hitler-Mussolini meeting, and on conversation with Suvich about questions discussed at meeting.	26	63
July 4	<i>The Foreign Minister to the Embassy in Italy</i> Draws attention to document No. 7 and states that German Government regard it as impossible to reach solution of Austrian question with Dollfuss.	56	122
July 5	<i>The Ambassador in Italy to the Foreign Ministry</i> Refers to document No. 51 (see under U.S.S.R.) and reports conversation with Mussolini about Franco-Russian policy. Latter stated Italy had not been informed of proposed Mediterranean pact, and believed Litvinov's policy to be meeting with opposition in U.S.S.R.	61	130
July 5	<i>The Ambassador in Italy to the Foreign Ministry</i> Reports conversation with Mussolini on Austrian question; latter felt unable to advise Dollfuss to embark on negotiations with National Socialists while terrorist campaign continued.	62	131
July 5	<i>Memorandum by the Foreign Minister</i> Records Italian Ambassador requested information about events of June 30 and made certain other enquiries.	66	136
July 11	<i>The Ambassador in Italy to the Foreign Ministry</i> Reports Suvich informed him of action so far taken by Italy on Memel question, and pointed out that Germany not entitled to take part in investigation, that Powers signatories to Memel Convention might decide in favour of Lithuanian action, and that if Lithuania tried to force further developments this might afford pretext for intervention.	80	157
July 13	<i>The Ambassador in Italy to the Foreign Ministry</i> Reports Suvich has given him, on Mussolini's instructions, explanation of Italian attitude to Eastern Pact as represented in Stefani communiqué, and informed him of British Government's views communicated by British Ambassador.	87	170

ANALYTICAL LIST OF DOCUMENTS

XLV

ITALY—continued

Date	Subject	Doc. No.	Page
1934 July 14	<i>The Ambassador in Italy to the Foreign Ministry</i> Reports Suvich has told him, on Mussolini's instructions, that Soviet Ambassador had intimated that U.S.S.R. interested in achieving improved relations with Germany by means of Eastern Pact question. Has replied to Suvich in accordance with document No. 86 (see under <i>Great Britain</i>).	88	172
July 16	<i>Ministerialdirektor Köpke to Ambassador Hassell</i> Letter informing him privately of German attitude towards five points on Austria drawn up at Venice and towards continued terrorist activities.	89	173
July 19	<i>Ambassador Hassell to Ministerialdirektor Köpke</i> Refers to document No. 89, describes repercussions in Italy of events of June 30 and of subsequent German broadcast attacks on Dollfuss and advocates postponing action in Austrian question.	100	193
July 21	<i>The Ambassador in Italy to the Foreign Ministry</i> Refers to document No. 92 (see under U.S.S.R.) and reports has set forth German views on proposed Eastern Pact to Mussolini, who advised making German equality of rights a condition for acceptance of Pact.	103	204
July 25	<i>Ambassador Hassell to State Secretary Bülow</i> Letter describing, in connexion with proposed Eastern Pact, Italian attitude to question of German equality of rights.	117	241
July 25	<i>The Ambassador in Italy to the Foreign Ministry</i> Reports on present situation in Italian foreign policy.	118	243
July 27	<i>Foreign Minister Neurath to Ambassador Hassell</i> Letter commenting on Mussolini's attitude to Germany and to events in Vienna on July 25, and expressing view that for Mussolini to organize a collective <i>démarche</i> in Berlin would appear to be an unfriendly act towards Germany.	127	258
July 27	<i>Memorandum by an Official of the State Secretary's Secretariat</i> Information supplied by Reichswehr Ministry of Italian troop movements towards the Austrian frontier.	128	259
July 28	<i>The Ambassador in Italy to the Foreign Ministry</i> Reports conversation with Suvich, to whom he complained of attitude of Italian press towards Germany since events in Vienna of July 25.	132	268
Aug. 8	<i>The Ambassador in Italy to the Foreign Ministry</i> Reports on development of German-Italian relations and on Austrian problem.	152	300
Aug. 15	<i>The Embassy in Italy to the Foreign Ministry</i> Reports on Starhemberg's visit to Italy on August 11-15, and on Italian proposals for securing independence of Austria and their significance for Germany.	161	321
Sept. 11	<i>The Chargé d'Affaires in Italy to the Foreign Ministry</i> Reports has handed Eastern Pact memorandum (document No. 200; see under <i>General Policy</i>) to Suvich, and has held language in accordance with instructions contained in document No. 190 (see under <i>General Policy</i>).	204	406

ITALY—continued

Date	Subject	Doc.No.	Page
1934 Sept. 14	<i>The Chargé d'Affaires in Italy to the Foreign Ministry</i> Reports that, though Italian Government maintaining reserve over German complaints about events in Memel, does not believe Italy solely responsible for dilatory treatment of complaints; Italy likely to advocate submission of case to Hague Court of Arbitration, which would be in German interests. Is informed collective <i>démarche</i> by Powers signatories to Memel Convention to be made shortly.	209	412
Oct. 4	<i>The Ambassador in Italy to the Foreign Ministry</i> Reports on conversation with Suvich about attitude of Italian press to Germany, Italian foreign policy, Austria, and other questions.	230	455
Oct. 11	<i>The Ambassador in Italy to the Foreign Ministry</i> Reports conversation with Aloisi on Austrian question; latter proposed that Italy might request Germany to adhere to Three Power Declaration (of September 27, 1934).	241	472
Oct. 23	<i>The Ambassador in Italy to the Foreign Ministry</i> Reports conversation with Mussolini on Austrian question, from which emerged that Mussolini greatly distrusted German policy in South East Europe.	266	523
Oct. 23	<i>Ministerialdirektor Köpke to Ambassador Hassell</i> States German views on, and reasons for rejection of, Italian proposal that Germany accede to Three Power Declaration of September 27, 1934.	267	525
Nov. 2	<i>Memorandum by the Foreign Minister</i> Records conversation with Italian Ambassador who enquired whether statements by Göring in Belgrade on German attitude to treaty revision implied a change in German policy.	291	559
Nov. 2	<i>Memorandum by the Deputy Director of Department II</i> Refers to information derived from Italian Ambassador as to important statements about German policy made by Göring in Belgrade and to similar information supplied by Rumanian Minister, and proposes that German Missions in Rome and Paris be sent appropriate instructions.	292	560
Nov. 6	<i>Memorandum by an Official of Department II</i> States German Attaché for Commercial Aviation in Rome has requested him to report that Mussolini has refused permission for purchase from Italy of aircraft accessories by Germany.	303	578
Nov. 8	<i>The Ambassador in Italy to the Foreign Ministry</i> Reports Hungarian Minister President, with whom has had conversation, stated Hungary anxious for Italo-German relations to be restored and commented on policy being pursued by Göring <i>vis-à-vis</i> Little Entente, and other questions.	310	596
Nov. 9	<i>The Ambassador in Italy to the Foreign Ministry</i> Conversation with Suvich who again referred to Austrian question and suggested that Powers concerned might conclude treaty undertaking to refrain from interference in Austria's internal affairs and to tolerate no move directed against Austria's independence. Commends this proposal and requests instructions.	317	608

ITALY—continued

Date	Subject	Doc. No.	Page
1934 Nov. 23	<i>The Ambassador in Italy to the Foreign Ministry</i> Reports information supplied by Suvich regarding subjects discussed during Austrian Federal Chancellor's visit to Rome.	345	659
Nov. 23	<i>Major General Fischer to General Fritsch</i> Letter supplementing (attached) report on audience with Mussolini.	352	669
Dec. 6	<i>The Ambassador in Italy to the Foreign Ministry</i> Reports on conversation with Mussolini, who stated that anti-Italian feeling gaining ground in Germany and Germany arming against Italy; has refuted allegations.	376	710
Dec. 6	<i>The Ambassador in Italy to the Foreign Ministry</i> Refers to document No. 376 and reports conversation with Suvich about Mussolini's statements regarding Italo-German relations. States is informed Mussolini's ill-humour due to indifference towards Italy displayed by Germany, and discusses other reasons for Mussolini's statements.	381	723
Dec. 7	<i>Memorandum by the Foreign Minister</i> Records has told Italian Ambassador Mussolini misinformed about German attitude and intentions vis-à-vis Italy.	383	728
Dec. 7	<i>Ambassador Hassell to Foreign Minister Neurath</i> Refers to documents Nos. 376 and 381; it appears Mussolini's statements not outburst of ill-humour but deliberate.	385	731
1935 Jan. 2	<i>The Ambassador in Italy to the Foreign Ministry</i> Reports has been informed by Suvich, on Mussolini's instructions, of reasons for Laval's decision to visit Rome; France and Italy now propose to recommend mutual non-interference agreement between Austria's neighbours and Successor States, and to conclude <i>ad interim</i> Franco-Italian consultative pact.	405	763
Jan. 2	<i>The Ambassador in Italy to the Foreign Ministry</i> Letter enclosing report by Air Attaché in Rome on audience with Mussolini to deliver to latter letter from Göring; Mussolini gave his views on future of Italo-German relations, especially in military sphere.	406	765
Jan. 3	<i>The Foreign Minister to the Embassy in Italy</i> Refers to document No. 405 and instructs that German views on proposed Italo-French agreements cannot be stated immediately.	407	768
Jan. 4	<i>Memorandum by the State Secretary</i> Records Italian Ambassador has furnished him with copy of Italo-French <i>procès-verbal</i> agreed in Rome.	409	772
Jan. 6	<i>The Ambassador in Italy to the Foreign Ministry</i> Reports on informal conversation with Mussolini, Laval and Suvich about desirability of German participation in Italo-French (Rome) agreements, about disarmament question, and about forthcoming Saar plebiscite.	413	784
Jan. 8	<i>The Ambassador in Italy to the Foreign Ministry</i> Reports on information given him by Suvich about results of Franco-Italian conversations in Rome.	417	790

ITALY—continued

Date	Subject	Doc. No.	Page
1935			
Jan. 11	<i>The Ambassador in Italy to the Foreign Ministry</i> Reports has had conversation with Mussolini, who enquired about German views on Franco-Italian Rome agreements and evinced desire for Germany's inclusion.	423	799
Jan. 11	<i>The Reich Air Ministry to the Foreign Ministry</i> Encloses copies of New Year letter from Göring to Mussolini and of letter from Italian Under Secretary of State for Air to State Secretary in Reich Air Ministry.	425	801
Jan. 29	<i>The Foreign Ministry to the Embassies in Italy and France</i> Reviews considerations governing German attitude to Franco-Italian Consultative Pact and to proposed Central European pact system, and sends instructions for preliminary statement to Mussolini and Laval respectively together with (attached) Note to be left with them.	460	861
Feb. 1	<i>The Ambassador in Italy to the Foreign Ministry</i> Reports has informed Mussolini of German views on Rome Agreements as instructed in document No. 460, and discussed with him forthcoming Franco-British communiqué, proposed Eastern Pact, Italo-French Consultative Pact, definition of non-intervention, question of special agreements, question of which States would participate in proposed non-intervention pact, rôle of League of Nations, and question of further procedure.	473	895
Mar. 6	<i>The Ambassador in Italy to the Foreign Ministry</i> Transmits Italian <i>aide-mémoire</i> in reply to German enquiries regarding proposed Central European pact.	520	985
Mar. 21	<i>Note from the Italian Embassy</i> Note referring to British and French Notes of protest (documents Nos. 539 and 548; see under <i>Great Britain and France</i>) at action of German Government in promulgating Reich Defence Law of March 16 and in creating a military air force in violation of Germany's treaty obligations, and defining attitude of Italian Government to this German action.	550	1038
Mar. 26	<i>The State Secretary to the Embassy in Italy</i> Refers to document No. 558 and states Italian distrust of German activities in Abyssinia unjustified. Suggests points for use in conversation.	557	1082
Mar. 26	<i>The Ambassador in Italy to the Foreign Ministry</i> Reports Suvich has told him, on Mussolini's instructions, of numerous reports that Germany is promising to support Abyssinia, and supplying her with arms; has denied this and enquired what Italy's acceptance of arbitration procedure implied.	558	1083
Mar. 26	<i>The Ambassador in Italy to the Foreign Ministry</i> Reports conversation with Suvich about latter's visit to Paris, visit of Simon and Eden to Berlin, forthcoming meeting at Stresa, and speech by Mussolini on March 23. Has denied Germany planning to attack either Austria or Italy.	559	1085
Mar. 29	<i>The Ambassador in Italy to the Foreign Ministry</i> Reports on what has learned from Suvich and others about prevailing atmosphere and outlook: Italo-French friendship growing apace, and clash with Germany considered inevitable.	563	1090
[See also under <i>Austria, France and Great Britain.</i>]			

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LATIN AMERICA

Date	Subject	Doc. No.	Page
1934 June 23	<i>The Director of the Economic Department to the Legations in Argentina, Brazil, Uruguay, Colombia and Ecuador</i> Informs Missions of composition of German trade delegation, comments on delegation's tasks, and instructs Missions to inform Governments to which accredited accordingly.	30	74
1935 Feb. 14	<i>The Head of the German Trade Delegation for South America to the State Secretary in the Reich Chancellery</i> Reviews tasks of and work done by delegation; outlines commercial treaties and Central Bank agreements concluded with various South American States, and describes reception accorded to delegation.	492	930

LITHUANIA

Date	Subject	Doc. No.	Page
	<i>Editors' Note</i> Memel Statute and Memel Convention.		137
1934 July 5	<i>Memorandum by the Director of Department IV</i> Records dismissal from Memel Government of certain persons of German origin and their replacement by National Lithuanians. States it is requested that British, Italian, French and Japanese Ambassadors be handed copy of German Note of protest about state of affairs in Memel, and be informed that, for reasons set forth in attached memorandum, immediate intervention by Powers signatories to Memel Convention required.	67	137
July 28	<i>Ministerialdirektor Meyer to Minister Zechlin</i> Letter stating that Lithuanian enquiry as to whether Germany objected to a certain State joining proposed Eastern Pact due to German Ambassador in Paris having linked Lithuania's entry into Pact with Memel question.	131	266
Sept. 7	<i>The State Secretary to the Embassies in Great Britain, Italy and France, and the Consulate at Geneva</i> States meeting of Memel Landtag on September 6 has had to be adjourned owing to artificially created absence of quorum, and instructs Embassies in London, Rome and Paris to bring this to knowledge of Governments to which accredited and to enquire whether it is true that no further <i>démarche</i> in Kovno contemplated for time being.	196	390
Sept. 26	<i>The Chargé d'Affaires in Lithuania to the Foreign Ministry</i> Reports has learned that, in their Notes to Lithuanian Government, Powers signatories to Memel Convention all state they consider Lithuanian measures in Memel not consonant with spirit of Convention; if violations of Convention proved, Powers will take appropriate steps.	219	426

ANALYTICAL LIST OF DOCUMENTS

LITHUANIA—continued

Date	Subject	Doc. No.	Page
1934 Nov. 8	<i>Memorandum by the Foreign Minister</i> Records has informed Lithuanian Minister, who called to discuss German-Lithuanian relations, that Lithuanian violations of Memel Statute and de-Germanizing policy have created serious situation; in reply, Minister complained about German acts of provocation. On Minister's mentioning possibility of non-aggression pact or mutual declaration, has replied that while persecution of Germans in Memel continued, discussion on improving relations pointless.	312	599
Nov. 20	<i>Memorandum by the State Secretary</i> Records has informed Lithuanian Minister, who hoped German-Lithuanian <i>détente</i> would soon be achieved, that Germany had no occasion to concern herself with possibility of <i>rapprochement</i> in view of Lithuanian violations of Memel Statute.	341	652
Dec. 7	<i>Memorandum by the Director of Department IV</i> Records has told Lithuanian Minister, who stated German-Lithuanian relations had deteriorated because Germany not willing for discussion, that this due to Lithuanian and not to German attitude; has pointed out that <i>status quo</i> in Memel could not form basis for negotiations, and has asked Minister to ascertain whether Lithuanian Government willing and able to rectify matters in Memel and to guarantee maintenance of new régime there.	384	729

MILITARY POLICY

Date	Subject	Doc. No.	Page
1934 June 21	<i>Memorandum by an Official of Department II</i> Rectifies certain errors in attached memorandum, by Admiral von Freyberg at Naval Command, on views of other States regarding possible German participation in 1935 Naval Conference and advantages to Germany of such participation, and states best course would be to leave question of participation open at present.	25	58
June 23	<i>Memorandum by the Foreign Minister</i> Records it has been decided that German participation in preliminary 1935 Naval Conference out of question and that, if invited to plenary conference, Germany to participate without being especially active; if not invited, Germany to make no special effort to obtain invitation.	32	82
July 21	<i>State Secretary Bülow to Foreign Minister Neurath (at Leinfelden)</i> Expresses anxiety, in view of events of June 30 and Franco-British <i>rapprochement</i> , about decision to cease, as from October 1, all camouflaging of Reichswehr, to exceed armaments programme announced by Hitler, and to permit bomber formations to appear openly.	105	208
July 27	<i>Foreign Minister Neurath to State Secretary Bülow</i> Comments on document No. 105.	126	257

ANALYTICAL LIST OF DOCUMENTS

LI

MILITARY POLICY—continued

Date	Subject	Doc. No.	Page
1934			
Aug. 10	<i>Memorandum by an Official of Department II</i> Records has discussed question of German air rearmament and its effect on Britain and France with Ministerialdirektor Fisch (Reich Air Ministry) and Fliegerkommodore Weninger (Head of Central Division of Reich Air Ministry).	154	306
Aug. 14	<i>Memorandum by an Official of Department II</i> Records has discussed disarmament question with General Schönheinz (Reichswehr Ministry), whom he informed of Foreign Ministry's views, and who was able to supply information as to attitude of Reichswehr Minister General von Blomberg.	159	316
Aug. 16	<i>State Secretary Bülow to Foreign Minister Neurath</i> Letter enclosing (i) draft decision of air armaments and (ii) draft directive on land armaments, for information of Foreign Minister should he decide to make use of document No. 162 (see under <i>General Policy</i>).	163	331
Aug. 20	<i>Memorandum by an Official of Department II</i> Records has been informed by Fliegerkommodore Weninger that report made to State Secretary Milch (Reich Air Ministry) on conversation recorded in document No. 154; Milch stated Reich Air Ministry must comply with Hitler's decision that statement of April 16 no longer binding.	170	348
Oct. 26	<i>Minute by an Official of Department II</i> Records is informed by Lieut.-Col. Böckmann (Reichswehr Ministry) that "supplementary units", consisting only of cadres, to be set up for purpose of giving two months' course of training to untrained youths, thus building up reserve army alongside Reichswehr.	274	535
Oct. 31	<i>Circular of the Office of the Chief of the Naval Command</i> Directive on attitude of German Navy to 1935 Naval Conference.	287	554
Nov. 2	<i>The Reichswehr Ministry to the Foreign Ministry</i> Encloses memorandum on meeting of Military Attachés to discuss international situation.	293	561
Nov. 5	<i>Memorandum by the State Secretary</i> Records that, at discussion with Admiral Raeder, it was agreed that there was no reason for Germany to participate in preliminary discussions on Naval Conference as yet; Raeder stated Hitler wished to fix size of German Navy at one-third of British Navy.	298	573
Dec. 1	<i>Memorandum by the State Secretary</i> Records has explained to Lieut.-General Beck, Chief of Truppenamt, that discussion of disarmament question not desirable for Germany until after settlement of Saar question, and has urged that German rearmament be not carried too far. Beck pointed out importance to Reichswehr of abolishing demilitarized Rhineland.	369	698
Dec. 17	<i>Minute by an Official of Department II</i> Records is informed Reichswehr Ministry hold that Germany should consider former promises and demands regarding armaments as outdated, and make really large-scale demands.	393	744

MILITARY POLICY—continued

Date	Subject	Doc. No.	Page
1935			
Jan. 12	<i>Memorandum by an Officer of the Naval Command</i> Instructions from Reichswehr Minister regarding making of propaganda for German point of view on armaments question; Foreign Ministry to collaborate with Reichswehr Ministry.	427	804
Jan. 16	<i>Memorandum by the State Secretary</i> Records views expressed by General von Reichenau as to undesirability of any disarmament inspection.	437	822
Feb. 26	<i>Minutes of the Conference of Ministers held in the Reich Chancellery at 4:15 p.m. on February 26, 1935</i> Extract recording approval of (attached) Decree of the Führer and Chancellor making Reichsluftwaffe third branch of Wehrmacht.	507	963
Mar. 16	<i>The Reich Air Ministry to the Foreign Ministry</i> Encloses data used as basis for informing foreign Air Attachés of certain changes being introduced in outward appearance of German aviation.	534	1008
Mar. 18	<i>The Chief of the Wehrmachtamt to the Chiefs of the Army and Naval Commands and the Air Ministry</i> States "Directive for the Wehrmacht in the event of sanctions" to be reissued as "Directives for the initial conduct of hostilities".	540	1016
Mar. 30	<i>The Chief of the Wehrmachtamt to the Chiefs of the Army and Naval Commands, the Air Ministry and the National Defence Office</i> Requests Chiefs of Wehrmacht branches to submit statements on mobilization and on intentions regarding concentration, operations, and new formations after completion of mobilization in event of certain situation arising. [See also under <i>Great Britain.</i>]	568	1109

NETHERLANDS

Date	Subject	Doc. No.	Page
1934			
June 30	<i>Circular of the Foreign Ministry</i> States differences between German and Netherlands Governments concerning latter's attitude towards NSDAP organizations in Netherlands now composed.	48	107
July 29 [sic: 28]	<i>The Deputy Director of the Economic Department to the Legation in the Netherlands</i> States supplementary protocol of July 5 for limitation of payments agreement with Netherlands has failed of desired effect, and balance of special account with Nederlandsche Bank now dangerously high; instructs Legation to inform Dutch Government that immediate negotiations on fixing of maximum amount to be held in account necessary. Missions in other countries having payments agreements with Germany similarly instructed.	130	265

ANALYTICAL LIST OF DOCUMENTS

LIII

POLAND AND DANZIG

Date	Subject	Doc.No.	Page
1934			
June 15	<i>Memorandum by an Official of Department VI</i> Refers to Polish action in attempting to raise with League of Nations issue of making minority obligations universal and describes conclusions reached in discussions with various experts as to what would be best policy for Germany to adopt.	8	14
June 27	<i>Memorandum by the Foreign Minister</i> Records conversation with President of Danzig Senate, Rauschnig, on situation in Danzig. Discussion of economic difficulties, policy of deflation and possible consequences of devaluation of Danzig currency. Note of views of Reich Finance Minister and President of Reichsbank on repercussions of devaluation in Danzig and on continuance of Reich subsidies.	40	93
June 29	<i>The Minister in Poland to the Foreign Ministry</i> Reports conversation with Polish M.F.A. about Hitler-Mussolini meeting in Venice and Franco-Russian plans for an Eastern Pact.	45	102
July 10	<i>The Minister in Poland to the Foreign Ministry</i> Reports on visit of French General Debeney to Warsaw and his efforts to obtain Polish support for French plan for an Eastern Pact. Believes Marshal Pilsudski opposed to any closer ties with Russia.	77	154
July 18	<i>The Foreign Minister to the President of the Reichsbank</i> Refers to Hitler's decision that 500,000 Reichsmark shall be transferred monthly to Danzig and requests that necessary instructions be issued for this sum to be available in foreign currency by August 1.	96	187
Aug. 1	<i>The Minister in Poland to the Foreign Ministry</i> Reports has spoken to Polish M.F.A. about proposed Eastern Pact as instructed in document No. 92 (see under U.S.S.R.); in reply Beck gave <i>exposé</i> of Polish views, and asserted that similar views prevailed in Baltic States.	139	277
Aug. 27	<i>Memorandum by the Foreign Minister</i> Records Hitler has informed Polish Minister of (i) intention of raising German Legation in Warsaw to status of Embassy and (ii) reasons why proposed Eastern Pact unacceptable to Germany. Questioned, Lipski stated Polish attitude to Pact also negative, where upon Neurath suggested conversation between himself and Polish M.F.A.	177	360
Aug. 30	<i>Memorandum by the State Secretary</i> Records Polish Minister communicated his Government's reply to Hitler's question (recorded in document No. 177) about attitude to proposed Eastern Pact.	184	370
Aug. 31	<i>Foreign Minister Neurath to the Führer and Chancellor</i> Informs Hitler that Polish Minister has communicated his Government's reply about raising respective Legations to status of Embassies and about Polish attitude to proposed Eastern Pact. Considers reply on latter subject evasive.	187	376
Sept. 4	<i>Minute by an Official of Department IV</i> States that Reich Finance Ministry and Reichsbank state that only one single Reich subsidy, not monthly subsidies, promised to Danzig. President of Danzig Senate so informed.	192	383

POLAND AND DANZIG—continued

Date	Subject	Doc. No.	Page
1934			
Sept. 6	<i>Memorandum by the Foreign Minister</i> Records Polish M.F.A. has informed him of Polish Government's views on, and objections to, proposed Eastern Pact.	194	385
Sept. 7	<i>The Consul at Geneva to the Foreign Ministry</i> Reports conversation with Rosting, Director of Minorities Section in League of Nations Secretariat, on Polish proposals to make protection of minorities obligations general. Latter did not expect Polish proposal to succeed, but was himself submitting a draft for improving existing minorities protection procedure in League of Nations.	197	391
Sept. 10	<i>The Consulate General in Danzig to the Foreign Ministry</i> Reports confidentially on views expressed by League of Nations High Commissioner in Danzig, Lester, to President of Danzig Senate, Rauschning, about attempts to constitute a totalitarian State in Danzig, which High Commissioner did not consider compatible with Danzig's special constitutional status.	202	403
Sept. 15	<i>The State Secretary to the Embassies in Great Britain, France, Italy and the Soviet Union and the Legation in Poland</i> Instructions on German view of Poland's refusal further to cooperate with international bodies over protection of minorities.	210	413
Sept. 28	<i>Memorandum by a Deputy Director of Department IV</i> Records conversation with Danzig Gauleiter Forster and Vice President of Danzig Senate who desired transfer of 2,000,000 Reichsmark to Danzig. Explained to Gauleiter that Foreign Ministry was not competent to decide on such currency allocations alone; Forster proposed to obtain decision from Hitler.	223	431
Sept. 29	<i>Foreign Minister Neurath to the Führer and Chancellor</i> Letter, enclosing and commenting on memorandum from President of Danzig Senate; recommends that, to end dualism between Party Leadership and National Socialist Government in Danzig, Gauleiter be instructed not to interfere with executive. Memorandum reviews situation in Danzig at end of September 1934, and concludes with account of relations between State and Party.	224	432
Oct. 8	<i>The President of the Danzig Senate to the Führer and Chancellor</i> Letter stating that Danzig Gauleiter Forster has instructed him to resign; calls attention to consequences of his resignation at present juncture and requests decision from Hitler.	236	466
Oct. 11	<i>Memorandum by the Foreign Minister</i> Records conversation with Hitler to whom he gave document No. 236 and who instructed him to have Rauschning informed that Hitler neither would nor could keep him.	243	475
Oct. 11	<i>President of the Danzig Senate Rauschning to Ministerialdirektor Meyer</i> Letter drawing attention to a number of recent incidents in Danzig which have caused the situation to become very critical, and stating that he is unable to accept a solution imposed by Gauleiter and must perform his duty as responsible Head of State. Requests that Reich Foreign Minister be informed of his present statements.	244	476

POLAND AND DANZIG—continued

Date	Subject	Doc. No.	Page
1934			
Oct. 13	<i>Memorandum by the Foreign Minister</i> Records has informed President of Danzig Senate, Rauschnig, on Hitler's orders, that if latter no longer has confidence of National Socialist Party in Danzig he must take consequences; Hitler is unable to keep him.	248	481
Oct. 13	<i>Memorandum by the Foreign Minister</i> Has informed Danzig Gauleiter Forster of his conversation with President of the Danzig Senate (recorded in document No. 248) and has received assurance from Gauleiter that latter will in future keep in closer touch with Foreign Ministry over Danzig affairs.	249	482
Oct. 18	<i>Memorandum by the Foreign Minister</i> Records agreement reached with Polish Minister on procedure to be followed in raising German and Polish Legations to status of Embassies.	256	498
Oct. 19	<i>Consul General Radowitz to Ministerialdirektor Meyer</i> Letter describing his first conversation with Danzig Gauleiter Forster who gave him account of his discussion with Hitler about Danzig. Gauleiter stated Danzig was to receive monthly allocation of 1,100,000 Reichsmark in foreign currency. Requests confirmation of this information.	259	505
Oct. 20	<i>Vice President of the Reichsbank Dreyse to Ministerialdirektor Meyer</i> Letter supplying information on discussion held in Reich Chancellery with Danzig representatives on Danzig's economic situation and financial assistance from the Reich.	262	513
Nov. 7	<i>Memorandum by the Consul General in Danzig</i> Refers to repercussions of Presidential crisis; conversation with League High Commissioner who displayed great concern over immediate situation in Danzig, and complained that, since absence of President Rauschnig, High Commissioner's advice to Danzig authorities had failed to achieve results.	308	591
Nov. 8	<i>Memorandum by the Director of Department VI</i> Gives reasons, formulated at meeting of all officials concerned, and embodied in instructions to German Ambassador in Poland (document No. 325), why Germany should not conclude bilateral agreement with Poland on protection of minorities.	313	600
Nov. 14	<i>The Foreign Minister to the Ambassador in Poland</i> Instructions on statement to be made to Polish M.F.A. regarding Germany's attitude to Polish <i>démarche</i> at Geneva concerning general protection of minorities and on Germany's attitude to treatment of German minority in Poland.	325	625
Nov. 14	<i>An Official of the Reich Finance Ministry to the Foreign Ministry</i> Transmits a minute of a meeting, held on October 30, of representatives of the various Reich Ministries dealing with Danzig to review financial and economic position in Danzig and decide on procedure to be followed in future.	327	630
Nov. 15	<i>Consul General Radowitz to Ministerialdirektor Meyer</i> Letter referring to a possible move by Reich Minister Hess to prevent resignation of President of Danzig Senate Rauschnig and requesting that support of Foreign Ministry be enlisted for this purpose.	329	632

POLAND AND DANZIG—continued

Date	Subject	Doc. No.	Page
1934			
Nov. 19	<i>The Ambassador in Poland to the Foreign Ministry</i> Refers to document No. 325 and reports instructions carried out with Polish M.F.A.	339	647
Dec. 6	<i>Memorandum by the Foreign Minister</i> Records Polish Ambassador handed over copy of <i>exposé</i> (enclosure to document No. 226; see under <i>France</i>) of Polish views on first Eastern Pact proposal as communicated to French Government; later French Ambassador handed over (annexed) copy of French reply to Polish <i>exposé</i> .	379	715
Dec. 12	<i>Memorandum by the Consul General in Danzig</i> Records a conversation with League High Commissioner on December 11, during which High Commissioner showed concern at Danzig citizens, who had exercised their constitutional rights of laying complaints before him, being victimised.	391	737
Dec. 15	<i>The Foreign Minister to the Embassy in Poland</i> Sends detailed instructions on language to be held on Eastern Pact question.	392	739
Dec. 20	<i>The Ambassador in Poland to the Foreign Ministry</i> Refers to document No. 392 and reports has communicated German views on French Note about proposed Eastern Pact to Polish M.F.A., who gave own views.	397	752
Dec. 21	<i>Memorandum by the Director of Department IV</i> On behalf of Foreign Minister has made representations to Polish Ambassador about action of Polish authorities in placing German firm of I.G. Kattowitz Königshütte-Laura under compulsory administration. Encloses memorandum of complaints by creditors and shareholders.	401	758
1935			
Jan. 8	<i>Memorandum by the State Secretary</i> Conversation with Polish Ambassador, who called to lodge serious protest at German arrears in payments for rail traffic.	419	795
Jan. 14	<i>Memorandum by the State Secretary</i> Records has been informed by Polish Ambassador that Polish M.F.A. considered Franco-Italian project for Central European pact to be improvement on Eastern Pact, but proposed to act in accordance with Hungarian views.	429	806
Feb. 1	<i>The Ambassador in Poland to the Foreign Ministry</i> Reports on visit of Minister President Göring to Warsaw, which has materially contributed to strengthening German-Polish relations.	474	898
Feb. 7	<i>Consul General Radowitz to Ministerialdirektor Meyer</i> Letter transmitting an account of a conversation on February 6 with League of Nations High Commissioner in Danzig. Latter considers that President Greiser unreliable, and that he is failing to keep assurances given at Geneva both to High Commissioner and to <i>rapporteur</i> of League of Nations Committee of Three (Eden) about punctiliously observing Danzig Statute.	485	915

POLAND AND DANZIG—continued

Date	Subject	Doc. No.	Page
1935 Feb. 11	<i>Circular of the Foreign Ministry</i> States views of Foreign Ministry on German economic relations with Poland; these considered unsatisfactory owing to Polish attempts to tilt trade balance in their favour. Importance of furthering political relations with Poland not held to warrant special economic favours. Recommends enquiring whether Warsaw prepared in principle to negotiate fresh economic settlements and requests departments concerned to study question promptly.	487	920
Feb. 19	<i>Memorandum by the Director of Department IV</i> Describes situation in Upper Silesia where Polish authorities are taking increasingly ruthless measures in Polonizing German business concerns and depriving members of German minority of employment. Considers that unless intervention with Polish Government possible, all German Upper Silesian undertakings will have to be liquidated.	496	939
Feb. 21	<i>Memorandum by the Foreign Minister</i> Conversation with Polish Ambassador to whom he explained danger to German-Polish relations resulting from policy of Polish authorities in Upper Silesia in Polonizing German economic enterprises. Ambassador promised to report to Polish M.F.A. who, he believed, would make every effort to prevent any disturbance of relations due to excess of zeal by local Polish authorities.	498	944
Feb. 21	<i>Consul General Radowitz to Ministerialdirektor Meyer</i> Letter enclosing memoranda on (i) conversation between President of Danzig Senate Greiser and League of Nations High Commissioner, (ii) conversation between Consul General Radowitz and Gauleiter Greiser, (iii) instructions issued by Gauleiter for elections in Danzig. Considers relations between President Greiser and League of Nations High Commissioner improved but that Gauleiter's proposed method of conducting election campaign is dangerous.	500	948
Mar. 18	<i>The Ambassador in Poland to the Foreign Ministry</i> Reports reintroduction of universal military service in Germany received calmly and without surprise by Polish Government.	536	1013
Mar. 23	<i>Memorandum by the Foreign Minister</i> Conversation with Polish Ambassador who conveyed his M.F.A.'s thanks for information supplied him on German reintroduction of general conscription, but allowed it to appear that Beck was uneasy as to repercussions of German action.	553	1041
Mar. 28	<i>Memorandum by the Director of Department IV</i> Conversation with Polish Ambassador who raised question of arrears in payments due from German Reich railways. Explained to Ambassador that reason for non-payment was primarily Polish action in causing deterioration in German trade balance, but promised to inform President of Reichsbank of Ambassador's <i>démarche</i> .	561	1087

RELIGIOUS QUESTIONS

Date	Subject	Doc. No.	Page
1934			
June 18	<i>Memorandum by the Director of Department VI</i> States Reich Evangelical Church universally disapproved of by Protestant Church leaders abroad, who have expressed sympathy with Confessional Synod; as this constitutes threat to Germany's political and economic relations with other countries, urges that action be taken to prevent further exacerbation of differences.	15	39
June 30	<i>Memorandum by an Official of Department II</i> Records negotiations between representatives of Catholic Hierarchy, Reich Government and National Socialist Party on application of Article 31 of Reich Concordat now concluded, and terms of agreement.	50	109
July 16	<i>The State Secretary in the Reich Chancellery to the Reich Minister of the Interior</i> Conveys Reich Chancellor's instructions concerning draft for a public statement by him regarding relations between State and Catholic Church.	91	175
Aug. 4	<i>The Minister of the Interior to the State Secretary in the Reich Chancellery</i> Refers to document No. 91 and sends amended draft for statement by Hitler on application of Article 31 of Reich Concordat.	147	291
Sept. 18	<i>Minute by an Official of Department II</i> Records discussion at Ministry of Interior on proposals put forward by Catholic Hierarchy for amendments to draft agreement on application of Article 31 of Reich Concordat, and on forthcoming negotiations.	212	416
Sept. 20	<i>Memorandum by the Foreign Minister</i> Records has informed Reich Bishop that his attempts at unification of Evangelical Church in Germany have aroused hostility abroad, thus endangering Reich policy and work of reconstruction, and warned him, on authority of Reich Chancellor, that if he did not succeed in unifying Church peacefully he would no longer have Hitler's support.	213	417
Sept. 29	<i>Foreign Minister Neurath to Prussian Minister President Göring</i> Letter enclosing copy of communication from Secret State Police to Commandant of concentration camp at Lichtenburg about spiritual care of persons in State concentration camps. States Nuncio, to whose notice communication has been brought, has lodged protest against certain decisions and statements contained therein, and asks Göring to give matter his personal attention as is anxious to meet Nuncio as far as possible.	225	444
Oct. 15	<i>Memorandum by an Official of Department VI</i> Reviews reactions of public opinion and Evangelical Churches abroad to recent events in Evangelical Church in Württemberg and Bavaria.	251	485
Oct. 26	<i>Prussian Minister President Göring to Foreign Minister Neurath</i> Letter in reply to document No. 225, stating instructions issued to Secret State Police and requesting that counter protest be made to Nuncio.	275	536

RELIGIOUS QUESTIONS—*continued*

Date	Subject	Doc. No.	Page
1934 Oct. 26	<i>Memorandum by an Official of the Reich Chancellery</i> Records Dr. Kinder, Vice President of Consistory at Kiel and leader of "German Christians", stated situation now such as to demand removal of Dr. Jäger, Legal Administrator of Reich Evangelical Church; possibilities of obtaining agreement between Reich Evangelical Church and "German Christians", and Confessional Synod also discussed.	276	537
Oct. 27	<i>Minute by an Official of the Reich Chancellery</i> Records that, in spite of transfer of Dr. Jäger's functions to Reich Bishop, Dr. Kinder still desires Dr. Jäger's complete removal.	279	542
1935 Feb. 2	<i>State Secretary Lammers to Foreign Minister Neurath</i> Letter enclosing copy of communication to Göring stating that Hitler does not at present intend to issue declaration on neo-paganism in Germany, as proposed by Neurath. [See also under <i>Great Britain and Vatican.</i>]	475	899

RHINELAND

Date	Subject	Doc. No.	Page
1934 June 14	<i>Memorandum by the Deputy Director of Department II</i> States it will be pointed out to General Schönheinz (Reichswehr Ministry), with regard to question of granting leave to Reichswehr units to take part in regimental celebrations in demilitarized zone, that particular care and restraint necessary in view of political situation.	2	3

RUMANIA

Date	Subject	Doc. No.	Page
1934 June 27	<i>The Minister in Rumania to the Foreign Ministry</i> Reports French M.F.A.'s visit impressive finale to meeting of Council of Little Entente, but chief importance of visit effect on Rumanian internal policy. While French influence on Rumania has increased, it is possible King has only made show of giving way for sake of obtaining armaments credits.	41	95
Oct. 30	<i>Memorandum by the State Secretary</i> Conversation with Rumanian Minister who had been informed by Göring in name of Hitler that Germany was not interested in any revisionist policy and had no interest in such Hungarian aims. Minister requested confirmation of this information.	284	548
Oct. 30	<i>The Ministry of Economics to the Foreign Ministry</i> Describes position about clearing and compensation arrangements with Rumania and requests that a decision be obtained.	285	549

RUMANIA—continued

Date	Subject	Doc. No.	Page
1934 Nov. 3	<i>Memorandum by the Director of the Economic Department</i> Records has been informed by Foreign Minister of Hitler's views on German-Rumanian compensation transaction; Hitler approves such transactions when of purely commercial character but forbids any designed to exert influence on internal affairs of foreign States.	295	565
Nov. 6	<i>Memorandum by the Deputy Director of the Economic Department</i> Records conversation held by Ministerialdirektor Ritter with Rumanian Minister in Berlin on certain questions concerning German-Rumanian economic relations.	302	576
Nov. 12	<i>The Minister in Rumania to the Foreign Ministry</i> Reports conversation with Rumanian M.F.A., Titulescu, who reviewed European situation and described Rumania's aims in foreign affairs.	322	619
Nov. 13	<i>Memorandum by the Deputy Director of Department II</i> Reports has had opportunity of speaking to Prussian Minister President Göring, who expressed much annoyance at conduct of Rumanian Minister in Berlin in alleging certain statements on revisionist question to have been made by Göring in Belgrade; attaches letter from Göring to Neurath contradicting these allegations.	323	622
Dec. 10	<i>Memorandum by the Foreign Minister</i> Records conversation with Rumanian Minister on latter's return from Bucharest: Minister conveyed his Government's approval of proposals for German-Rumanian trade, described conversation with Titulescu on latter's attitude towards Germany, and again raised question of German attitude to treaty revision in connexion with statements ascribed to Göring.	387	733
1935 Mar. 17	<i>The Chargé d'Affaires in Rumania to the Foreign Ministry</i> Reports on conversation with M.F.A., Titulescu, on latter's policy of <i>rapprochement</i> with Soviet Russia; views on projected Eastern Pact; anxiety over Polish inclination to align with Hungary. Reports further what has learned from his Polish colleague on certain points raised by Titulescu.	535	1009
Mar. 19	<i>The Chargé d'Affaires in Rumania to the Foreign Ministry</i> Sends copy of Note concerning economic negotiations communicated to Rumanian Minister of Commerce at latter's request.	543	1022
Mar. 23	<i>The Deputy Director of the Economic Department to the Legation in Rumania</i> States German-Rumanian Commercial Treaty signed that day, but without previous legal recognition of arbitration on question of payment for advance deliveries of material on reparations account.	551	1039
Mar. 25	<i>The Chargé d'Affaires in Rumania to the Foreign Ministry</i> Reports on <i>démarche</i> made with Rumanian M.F.A. and conversation held with Minister of Commerce about German-Rumanian Commercial Treaty and question of payment for advance deliveries of material on reparations account.	556	1080

SAAR TERRITORY

Date	Subject	Doc.No.	Page
	<i>Editors' Note</i> Cites certain articles of Treaty of Versailles relevant to Saar problem, and some paragraphs of Saar Statute.		229
1934 July 24	<i>The Executive Director of the Saar-Verein to Senior Counsellor Voigt</i> Encloses copy of letter from Kommerzienrat Dr. Hermann Röchling stating views on memorandum by Dr. Karl Mehrmann entitled "The Saar question after the Plebiscite".	114	233
July 26	<i>Note by the State Secretary</i> Has been informed from Reich Chancellery that Hitler has decided to appoint Gauleiter Bürckel as new Saar Delegate.	121	250
Sept. 29	<i>Minister Weizsäcker to Ministerialdirektor Köpcke</i> Encloses memorandum on impressions gained at Geneva; believes that unless Germany can prevent fresh crisis in Austria she need entertain no further thoughts of Saar Territory.	227	449
Oct. 17	<i>Saar Plenipotentiary Bürckel to Foreign Minister Neurath</i> States considers it imperative for Reich to define views on attitude to be adopted by clergy in Saar Territory during plebiscite, and gives views on question of neutrality of Church.	255	495
Oct. 20	<i>The Foreign Minister to the Ambassador in Italy</i> Instructions to inform Aloisi that Germany is prepared, on certain conditions, to begin preliminary discussions about questions regarding Saar Territory raised by League of Nations Committee of Three; sets forth German views on these questions, and states that Germany in turn wishes to raise certain questions with Committee of Three.	260	506
Nov. 3	<i>Memorandum by the Foreign Minister</i> Records Himmler intends, among other measures to be taken before and after Saar plebiscite, to set up frontier police stations to prevent undesirable persons entering Saar Territory and to assemble staff for central police office in Saar in preparation for return of Territory.	294	564
Nov. 6	<i>The Ambassador in Italy to the Foreign Ministry</i> Reports conversation between Reich Commissar Bürckel, Geheimrat Voigt and self, and Aloisi and Biancheri, at which fresh situation caused by French threats and problem of political émigrés discussed and German views set forth. Communiqué on conversation to be issued to German press; Aloisi to receive representatives of Saar trade and industry and of German Front and explain economic difficulties.	299	573
Nov. 8	<i>The Ambassador in Italy to the Foreign Ministry</i> Reports Aloisi stated Committee of Three had postponed decision on outstanding Saar questions and requested German Government to state views and enter into negotiations on questions under discussion. Outlines proposals by Bürckel and Voigt for action to be taken by Germany on Saar questions.	309	594

SAAR TERRITORY—*continued*

Date	Subject	Doc. No.	Page
1934			
Nov. 9	<i>The State Secretary to the Embassy in Italy</i> Refers to document No. 309 and gives German views on proposals contained therein.	315	604
Nov. 9	<i>The Ambassador in Italy to the Foreign Ministry</i> Reports on meeting in Rome on November 6 of Committee of Three for Preparation of Saar Plebiscite and on Italian views regarding possibility of armed intervention by France in Saar Territory and her intentions after plebiscite.	318	610
Nov. 17	<i>The Director of Department II to the Embassies in Great Britain and France, the Legation in Switzerland and the Consulate at Geneva</i> States negotiations with Committee of Three in Rome so far not brought to satisfactory conclusion; French delegates have declared German attitude rendered further negotiations futile; Aloisi has caused Committee to pass resolution proposing postponement of forthcoming meeting of Council of League of Nations for three days.	335	642
Nov. 20	<i>Unsigned Note</i> Records instructions given to German delegates negotiating with Committee of Three regarding financial questions and question of mines.	342	653
Nov. 23	<i>Memorandum by the State Secretary</i> Records that Reich Commissar for Saar, Bürckel, suggested, in view of danger of <i>Putsch</i> by other side, that Germany should ask Switzerland to supply plebiscite police. Has replied that this would mean using Swiss troops, which forbidden by Swiss law, and that such request could not be made without previously making sure of its being granted, as otherwise French would be given pretext for entering Saar Territory, and has asked Bürckel to verify reports of enlistment of foreign nationals as plebiscite police.	346	660
Nov. 27	<i>Minute by the Foreign Minister</i> States, in connexion with (attached) memorandum on certain temporary political measures now under discussion in Rome, that Hitler has stated that Germany should agree to all Saar residents being granted right to leave without thus forfeiting Reich nationality, and should accept non-application of Aryan legislation to all Saar residents for one year.	357	678
Nov. 30	<i>Memorandum by the State Secretary</i> States, in connexion with negotiations on payment for Saar mines in progress in Rome, that had always taken these to be an effort to reach figures on which to base discussion on methods of payment, but that such figures would not be binding; proposed inclusion in discussion of leases of Warndt mines, and extension of these leases to ten years or more, inconsistent with this concept.	363	689
Nov. 30	<i>Memorandum by the Deputy Director of the Economic Department</i> Records has been informed by Berger (Reich Finance Ministry) of his conversation with Aloisi about progress of negotiations with French on payment for Saar mines. Has told Berger that has learned from Paris that question of three months' commercial credits could not be brought up for discussion at present.	364	690

ANALYTICAL LIST OF DOCUMENTS

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SAAR TERRITORY—continued

Date	Subject	Doc.No.	Page
1934			
Dec. 4	<i>Minutes of the Conference of Ministers held in the Reich Chancellery at 4:30 p.m. on December 4, 1934</i> Reich Foreign Minister reported on Saar agreement concluded in Rome, President of Reichsbank reported on economic and financial aspects of agreement, and Chancellor described conclusion of agreement as a clear success.	373	704
Dec. 6	<i>The Consul at Geneva to the Foreign Ministry</i> Reports Biancheri communicated Aloisi's enquiry as to German views on proposed formation of international police force in Saar Territory, and commented on sudden change in British policy.	375	710
Dec. 6	<i>The Foreign Minister to the Consulate at Geneva</i> Sends telegram conveying German consent to use of international police contingents in Saar Territory, for communication to Aloisi.	378	714
Dec. 8	<i>Editors' Note</i> Britain, Italy, Netherlands and Sweden invited to contribute contingents for international police force in Saar Territory.		714
1935			
Jan. 5	<i>Circular of the Ministry of Economics</i> Encloses record of meeting held on January 3, between representatives of Reich Ministries and German and Saar industrialists, to discuss questions relating to future of Saar metallurgical and coal industries arising from reintegration of Saar Territory.	412	776
Jan. 7	<i>The State Secretary to the Embassy in Italy</i> Instructs Ambassador to inform Aloisi of German views on return of Saar Territory to Germany after plebiscite.	414	787
Jan. 7	<i>Foreign Minister Neurath to Reich Minister of the Interior Frick</i> Considers that to retain Saar Territory as separate administrative unit after reintegration with Reich would be undesirable as perpetuating situation created by Treaty of Versailles.	415	788
Jan. 9	<i>Memorandum by the Foreign Minister</i> Records Minister of Interior stated, in reply to document No. 415, that he agreed it was not desirable to retain Saar Territory as separate administrative entity after reintegration with Reich, and presumed that, when Reich divided into Gaue, Palatinate and Saar would become one Gau.	420	796
Jan. 14	<i>Ministerialrat Berger to the Foreign Ministry</i> Encloses minute on conversation on January 12 with Aloisi about conference on, and date of, reintegration of Saar Territory.	430	807
	<i>Editors' Note</i> Saar plebiscite results.		810
Jan. 15	<i>Memorandum by an Official of Department II</i> Records Saar Member of Governing Commission stated that Chairman of Governing Commission had asked him to inform Foreign Ministry that, since Saar plebiscite had produced absolutely clear result, Knox intended to try to get question settled as quickly and smoothly as possible, and hoped Germans would contribute to this by abandoning hostile attitude to Commission. Kossmann had replied that <i>Volksstimme</i> and other papers should be caused to change their attitude, to which Knox agreed.	431	810

SAAR TERRITORY—continued

Date	Subject	Doc.No.	Page
1935			
Jan. 15	<i>Unsigned Memorandum</i> Records Krauel reported that had learned it was intended, at forthcoming meeting of Council of League of Nations, merely to declare reunion of Saar Territory with Germany without setting date, and considered draft resolution for Council shown him by Biancheri unsatisfactory.	432	811
Jan. 16	<i>Memorandum by the Director of Department V</i> Records two telephone conversations with Krauel regarding draft for resolution on Saar Territory by Council of League of Nations which communicated by Biancheri and which unsatisfactory from German point of view.	442	831
Jan. 16	<i>Memorandum by an Official of Department II</i> Records information telephoned by Krauel about his further conversation with Italians on draft resolution by Council of League of Nations on Saar Territory, in which he put forward various German objections.	443	832
Jan. 16	<i>Memorandum by an Official of Department II</i> Records Krauel reported receiving from Biancheri further draft for resolution by Council of League of Nations which considered unacceptable to Germany.	444	834
Jan. 17	<i>Minute by an Official of Department II</i> Records Krauel informed of German views on most recent draft for resolution by Council of League of Nations, and of certain amendments required by Germany.	449	844
Jan. 17	<i>Memorandum by the Director of Department V</i> Records Krauel reported Italians and French prepared to accept German amendments to draft resolution, but required German declaration that details of demilitarization of Saar Territory to be settled with Committee of Three and if necessary decided by Council of League of Nations before February 15. Has told Krauel that considered this demand extremely serious, and later given him instructions on further action.	450	846
Jan. 17	<i>Memorandum by an Official of Department II</i> Records Krauel reported by telephone on formula for resolution on Saar Territory by Council of League of Nations as finally agreed.	451	847
Jan. 18	<i>Unsigned Memorandum</i> Record of Ministerial conference on draft law laying down procedure for reintegration of Saar Territory.	452	848
Jan. 25 [24]	<i>Minute by the Foreign Minister</i> Records Hitler stated he refused to consent to any demolition of installations in Saar Territory.	456	858
Jan. 29	<i>The Foreign Minister to the Embassy in France</i> Sends instructions to start negotiations on demilitarization of Saar Territory, enumerates points to be discussed and risks involved in conversations, assesses French attitude, and encloses draft of statement which Germany prepared to make.	462	869
Mar. 3	<i>Ministerialrat Berger to Foreign Minister Neurath</i> States has spent 1st of March in Saarbrücken and had conversation with Aloisi, who expressed disappointment over his conversation with Hitler.	516	978

ANALYTICAL LIST OF DOCUMENTS

LXV

SWITZERLAND

Date	Subject	Doc.No.	Page
1934 July 6	<i>The Swiss Minister in Germany to the Head of the Press Department</i> States Swiss Government have temporarily forbidden import and distribution of certain German newspapers as counter-measure to discrimination against Swiss newspapers in Germany.	70	144
Nov. 6	<i>The Minister in Switzerland to the Foreign Ministry</i> Reports on Swiss measures to expand military defences, desire for, and conception of, neutrality, economic position, and importance of winning over public opinion in Switzerland.	304	579
Dec. 10	<i>The Head of the Press Department to the Reich and Prussian Ministry of the Interior</i> Requests that ban on certain Swiss newspapers be not prolonged for time being, gives reasons, and proposes that Swiss be informed accordingly.	386	732
Dec. 19	<i>Memorandum by the Head of the Press Department</i> Records that, in accordance with directive from Hitler, question of lifting ban on certain Swiss newspapers has been studied, and that ban to be prolonged. Proposes semi-official communiqué to be published by DNB.	395	747
1935 Jan. 24	<i>Memorandum by the Minister in Switzerland</i> Records conversation with Motta about suggestion by Swiss Minister in Berlin to State Secretary for German assurances to allay Swiss anxieties about Pan-German encroachments; assumes Germany will not give such assurances.	457	858
Jan. 31	<i>State Secretary Bülow to Minister Weizsäcker</i> Letter commenting on document No. 457 and describing further conversation with Swiss Minister.	471	890

TURKEY

Date	Subject	Doc.No.	Page
1934 July 4	<i>The Chargé d'Affaires in Turkey to the Foreign Ministry</i> Reports has been informed by outgoing Soviet Ambassador of conversation between latter and Mustafa Kemal about Russo-German relations and recent events in Germany.	59	128
Dec. 3	<i>Memorandum by the Foreign Minister</i> Records conversation with Turkish M.F.A., who stated Turkey not pursuing anti-German policy, and advocated German-Russian <i>rapprochement</i> and Germany's return to League of Nations.	371	700
1935 Feb. 7	<i>Minute by an Official of the Economic Department</i> Records conversation with Turkish Commercial Counsellor about German-Turkish commercial relations.	484	913

UNITED STATES

Date	Subject	Doc. No.	Page
1934			
June 18	<i>Memorandum by the State Secretary</i> Records American Ambassador protested about Germany's unilateral action over her debts.	14	36
June 28	<i>The Chargé d'Affaires in the United States to the Foreign Ministry</i> Reports has expressed disappointment over negative tenor of American Note of June 27 on Reichsbank moratorium to Secretary of State Hull, and is informed by official in Commercial Division of State Department that Note primarily directed against discrimination, and that American Government not yet ready for economic negotiations; believes America does not wish to embark on further controversy with Germany, but forecasts unfavourable reaction of press and public opinion.	43	100
July 10	<i>Memorandum by the State Secretary</i> Records conversation on transfer question with American Ambassador, whose Government appeared to be considering discussions with Britain and other creditor countries on possibilities of joint agreement on German transfer question to obviate any discrimination.	76	153
July 11	<i>Memorandum by the State Secretary</i> Records further conversation on transfer question with American Ambassador, who had discussed with his British colleague U.S. project for negotiating joint settlement with all creditors. Latter desired <i>venue</i> for negotiations to be London not Berlin.	82	159
July 11	<i>The Reich Finance Minister to the Foreign Minister</i> Suggests that forthcoming conversation with Governor of Federal Reserve Bank of New York be conducted in sense of attached memorandum; believes first German objective must be to get over date line of July 15 and try to open negotiations with United States by October 15, as being next maturity date of importance to American holders of Dawes and Young loans.	83	159
Aug. 3	<i>An Official of the Embassy in the United States to the Ministry for Propaganda</i> Gives account of feeling towards Germany prevailing in United States and makes suggestions for further propaganda	569	1111
Sept. 27	<i>The Foreign Minister to the Embassy in the United States</i> Instructs Ambassador to communicate to American Government Note stating German views on transfer questions and German obligations for war damage payments.	221	428
Oct. 9	<i>The Ambassador in the United States to the Foreign Ministry</i> Refers to document No. 221 and reports on American reactions to likelihood of non-transfer of interest on Dawes loan due to U.S. bondholders on October 15.	237	468
Oct. 9	<i>Memorandum by the Director of Department III</i> Records that, at discussion in Ministry of Finance, Schacht stated it was impossible to transfer interest due to U.S. holders of Dawes loan on October 15 and of Young loan in December except in free <i>Registermark</i> .	238	469

ANALYTICAL LIST OF DOCUMENTS

LXVII

UNITED STATES—continued

Date	Subject	Doc. No.	Page
1934 Nov. 2	<i>The State Secretary in the Reich Chancellery to the Foreign Minister</i> Sends account of conversation between Hitler and Head of Steuben Society of America, who criticized Association of Friends of the New Germany; enquires whether Neurath considers German Consuls should maintain greater reserve towards Association.	570	1115
Nov. 6	<i>The State Secretary to the State Secretary in the Reich Chancellery</i> Refers to document No. 570 and states German official representatives in United States already maintaining reserve towards Association of Friends of the New Germany.	571	1117
Nov. 23	<i>Memorandum by the State Secretary</i> Records American Ambassador communicated Note regarding discrimination against American bondholders, and subsequent discussion with Ambassador.	348	664
Dec. 3	<i>The State Secretary in the Reich Chancellery to the Foreign Ministry</i> Refers to document No. 571 and encloses document giving views of Head of Auslandsorganisation on Association of Friends of the New Germany.	572	1117
Dec. 11	<i>Memorandum by the Director of Department III</i> Records conversation with American Ambassador about American-German economic questions.	389	735
Dec. 12	<i>Memorandum by the Director of Department III</i> Records information furnished by American Ambassador about American reluctance to open economic negotiations with Germany.	390	736
Dec. 29	<i>The Ambassador in the United States to the Foreign Ministry</i> States it is considered out of question that contact with Association of Friends of the New Germany should be completely broken. German diplomatic representatives should adopt same attitude to Association as to other German-American bodies.	573	1120
1935 Mar. 20	<i>The Ambassador in the United States to the Foreign Ministry</i> Reports on what has learned about reactions of U.S. Government and public opinion to introduction of universal military service in Germany.	545	1027

U.S.S.R.

Date	Subject	Doc. No.	Page
1934 June 18	<i>The Chargé d'Affaires in the Soviet Union to the Foreign Ministry</i> Reports account given him by Italian Ambassador in Moscow of a conversation with Litvinov about latter's Eastern Pact proposals.	11	19

U.S.S.R.—continued

Date	Subject	Doc. No.	Page
1934 July 2	<i>The Chargé d'Affaires in the Soviet Union to the Foreign Ministry</i> Reports conversation with Italian Ambassador in Moscow, who, on strength of view expressed to Italian Ambassador in Paris by French Secretary General Léger that Franco-Russian alliance imminent, had sought information from Litvinov.	51	111
July 9	<i>The Chargé d'Affaires in the Soviet Union to the Foreign Ministry</i> Refers to document No. 57 (see under <i>France</i>) and reports conversation with Italian Ambassador in Moscow about projected Eastern Pact. Latter did not believe opposition to Litvinov's policy existed within U.S.S.R. and was convinced Soviet alliance with France and entry into League of Nations would come about unless German policy able to meet Russian "pactomania".	74	150
July 17	<i>Circular of the Foreign Minister</i> Reviews recent Soviet foreign policy and discusses Eastern Pact proposals in light of Franco-Russian relations.	92	176
July 21	<i>Memorandum by the State Secretary</i> Records Russian Ambassador stated U.S.S.R. willing to include Germany in guarantees supplementing Treaty of Locarno, and explained why U.S.S.R. had not communicated draft of projected Eastern Pact to any other Government. Bülow replied that Germany, though prepared to negotiate, would never conclude an agreement before question of equality of rights settled.	106	209
July 30	<i>The Chargé d'Affaires in the Soviet Union to the Foreign Ministry</i> Reports has been informed by Estonian M.F.A. of course of latter's conversation with Litvinov about proposed Eastern Pact.	133	270
Aug. 5	<i>The Chargé d'Affaires in the Soviet Union to the Foreign Ministry</i> Reports has been informed by Italian Ambassador of a conversation with Litvinov concerning German-Soviet relations, proposed Eastern Pact, and possible alternative of Franco-Soviet Pact with Germany a party to it.	148	292
Aug. 11	<i>The Chargé d'Affaires in the Soviet Union to the Foreign Ministry</i> Submits report on views of foreign Missions in Moscow regarding proposed Eastern Pact and Soviet Government's intentions.	156	311
Aug. 29	<i>The Foreign Ministry to the Embassy in the Soviet Union</i> States Soviet trade delegate has left for Moscow without agreement having been reached on 200 million Mark credit; only outstanding points are question of safeguarding current trading and of credit duration; Deputy Head of Soviet Trade Delegation said U.S.S.R. determined on 5½ years' credit duration. Instructs Embassy not to press Soviet Government for decision, but to point out that early completion of negotiations desirable.	181	366
Sept. 3	<i>Circular of the State Secretary</i> Instructs Missions on language to be held regarding question of admission of U.S.S.R. to League of Nations and attitude of other Powers thereto.	189	378

U.S.S.R.—continued

Date	Subject	Doc. No.	Page
1934			
Oct. 3	<i>The Ambassador in the Soviet Union to the Foreign Ministry</i> Reports that, after presenting credentials, had audience with President of Central Executive Committee of U.S.S.R., who expressed hope for improvement in Russo-German relations.	229	454
Oct. 7	<i>The Ambassador in the Soviet Union to the Foreign Ministry</i> Reports has paid first visit to Litvinov, who obviously wished to avoid discussion of Russo-German relations.	233	461
Oct. 22	<i>Ambassador Schulenburg to State Secretary Bülow</i> Reports that though has been kindly received, U.S.S.R. still angry with Germany; all Russians on whom has called, except Kalinin, avoided political discussion; anti-German press campaign continues; believes general Soviet policy at present one of "wait and see".	265	521
Oct. 25	<i>Memorandum by the State Secretary</i> Suggests that, when receiving Russian Ambassador, Hitler make brief statement on German-Russian relations: Germany has no intention of attacking U.S.S.R. or Baltic Border States and aims at correct relations and revival of Russo-German trade.	270	532
Oct. 26	<i>State Secretary Bülow to Ambassador Schulenburg</i> Refers to document No. 265, describes reception of new Russian Ambassador in Berlin, and gives instructions regarding attitude to be adopted towards Russian anxieties.	271	532
Nov. 27	<i>Memorandum by the Director of Department IV</i> Records conversation with Russian Ambassador, who referred to Russian fear of Eastward drive by Germany, and hoped proposed Eastern Pact would be accepted; has told Ambassador Russian fears unfounded, set forth German objections to Eastern Pact and to Russian policy, <i>inter alia</i> over Memel, and suggested Ambassador try to bring about economic <i>rapprochement</i> .	359	682
1935			
Feb. 15	<i>Memorandum by an Official of Department IV</i> States Reichsbank President Schacht has informed Deputy Head of Soviet Trade Delegation that Soviet exports to Germany to be subject to control under New Plan, and that U.S.S.R. must place orders in Germany to value of exports to Germany and finance such orders from proceeds of sales and not from 200 million Mark credit. Schacht's statements run counter to negotiations which Ministry of Economics has been conducting.	494	935
Feb. 25	<i>Ministerialrat Mossdorf to Counsellor of Legation Bräutigam</i> Encloses minute on discussion between Reichsbank President Schacht and members of Soviet Trade Delegation on February 22 about question of payment of Soviet debts, and Soviet exports to and purchases in Germany.	505	960
Mar. 2	<i>Memorandum by an Official of Department IV</i> Records explained to Major von Ehsebeck (Reichswehr Ministry) reasons for not communicating to British Foreign Secretary, at forthcoming conversations, as evidence of Soviet plans for rearmament, list of orders submitted in January by Soviet Trade Delegation; later confirmed to Ehsebeck that to communicate list out of question.	514	975

U.S.S.R.—continued

Date	Subject	Doc. No.	Page
1935 Mar. 15	<i>Memorandum by an Official of Department IV</i> Describes situation as regards negotiations on 200 million Mark transaction with U.S.S.R., on payment of Russian debts to Germany, and on Russian exports to and imports from Germany; states Russians surprised by severity of action being taken against them by Reichsbank President Schacht.	529	1000
Mar. 20	<i>Memorandum by the Director of Department IV</i> States German-Soviet economic negotiations now concluded, and gives terms.	546	1028
Mar. 28	<i>Memorandum by an Official of Department IV</i> Records that, though German-Soviet negotiations on 200 million RM credit have led to agreement in principle, difficulties have arisen in consequence of German desire to subject contracts concluded before February 15, 1935, to machinery of supervisory offices introduced under New Plan.	552	1088

VATICAN

Date	Subject	Doc. No.	Page
1934 Sept. 6	<i>The Chargé d'Affaires to the Holy See to the Foreign Ministry</i> Transmits Note from Cardinal Secretary of State concerning interpretation to be placed upon Article 31 of Reich Concordat and inadequacy of concessions so far made by Reich Government.	195	386
Sept. 21	<i>The Director of Department II to the Embassy to the Holy See</i> Sends instructions for preliminary oral statement to be made to Cardinal Secretary of State in reply to his Note of September 2 (document No. 195, enclosure) expressing regret that objections of Holy See to settlement of June 29 regarding application of Article 31 of Reich Concordat have necessitated reopening of negotiations.	215	422
Sept. 21	<i>The Deputy Director of Department II to the Embassy to the Holy See</i> Refers to document No. 215 and states Catholic delegate Bishops informed that Reich Chancellor considers certain of new proposals too extensive but has expressly stated that Concordat equally binding on Party and State. Instructions to inform Cardinal Secretary of State accordingly.	216	423
Oct. 12	<i>The Ambassador to the Holy See to the Foreign Ministry</i> Reports on audience with Pope, who expressed anxiety about recent events in Germany; recommends that negotiations on application of Article 31 of Reich Concordat be nevertheless protracted until return of Cardinal Secretary of State.	245	477
Oct. 31	<i>Ambassador Bergen to Ministerialdirektor Köpke</i> States Saar question has for some time been subject of representations to Vatican, and reports and comments on what has learned regarding attitude of Curia.	286	552

VATICAN—continued

Date	Subject	Doc. No.	Page
1934			
Nov. 19	<i>The Foreign Ministry to the Embassy to the Holy See</i> States Nuncio has informed Foreign Ministry that Holy See considers that Reich Government's new draft for agreement on application of Article 31 of Reich Concordat does not take substantial account of Vatican's wishes, and that resumption of negotiations in Rome would be premature and inadvisable.	338	645
Nov. 24	<i>Memorandum by the Foreign Minister</i> Records conversation with Nuncio who was instructed by Vatican to obtain information on points regarding application of Article 31 of Reich Concordat still under dispute.	353	672
Nov. 29	<i>Memorandum by an Official of Department II</i> Records conversation with Nuncio about present state of negotiations on agreement on application of Article 31 of Reich Concordat, and arrangements for further negotiations; Nuncio proposed informally that Hitler make public statement in near future.	361	686
Dec. 18	<i>The Foreign Ministry to the Embassy to the Holy See</i> Sends instructions for Note, to be communicated to Cardinal Secretary of State, reviewing course so far of negotiations on application of Article 31 of Reich Concordat and expressing hope that final negotiations may be held soon.	394	745
1935			
Jan. 26	<i>Memorandum by the Foreign Minister</i> Records conversation with Nuncio, who lodged fresh complaint about neo-paganism in Germany and urged that it be condemned in public statement by Hitler.	459	860
Jan. 31	<i>The Director of Department II to the Embassy to the Holy See</i> States Nuncio has been informed that Hitler has meanwhile decided that Reich Government must abide by settlement on application of Article 31 of Reich Concordat reached on June 29; no further concessions possible.	470	889
Feb. 15	<i>The Ambassador to the Holy See to the Foreign Ministry</i> Encloses Note from Cardinal Secretary of State in reply to German Note of December 31 (document No. 394). [See also under <i>Religious Questions</i>]	481	905

YUGOSLAVIA

Date	Subject	Doc. No.	Page
1934			
June 21	<i>The Foreign Ministry to the Embassy in Italy</i> Reviews political and economic significance of German-Yugoslav Trade Agreement of May 1, 1934.	23	54
June 22	<i>The Minister in Yugoslavia to the Foreign Ministry</i> Reports conversation with King, who enquired about German internal situation, outcome of Hitler-Mussolini meeting in Venice, and German views on Habsburg restoration question; French projects not mentioned.	27	68

YUGOSLAVIA—continued

Date	Subject	Doc. No.	Page
1934			
June 27	<i>The Minister in Yugoslavia to the Foreign Ministry</i> Reports French M.F.A.'s visit uneventful; although question of Yugoslavia's establishing relations with Russia apparently still open, she is otherwise prepared blindly to follow French alliance policy, but is distrustful about possible Italo-French settlement and sceptical about possible Italo-Yugoslav settlement.	39	92
Oct. 9	<i>Editors' Note</i> Assassination of King Alexander and M. Barthou at Marseilles on October 9 and subsequent diplomatic action.		468
Oct. 22	<i>The Minister in Yugoslavia to the Foreign Ministry</i> Reports on favourable impression made in Yugoslavia by German manifestations of sympathy over death of King, and success attending presence of Göring at funeral.	263	516
Oct. 22	<i>The Minister in Yugoslavia to the Foreign Ministry</i> Reviews Yugoslavia's internal and international situation after assassination of King Alexander.	264	519
Oct. 25	<i>Circular of the Foreign Ministry</i> Gives details of German policy towards Croat émigrés for use in denying allegations that Germany tolerated or promoted Croat terrorism directed against Yugoslav State.	268	528
Nov. 9	<i>The Minister in Yugoslavia to the Foreign Ministry</i> Reports has had audience with Prince Regent, who expressed appreciation of German sympathy on occasion of death of King Alexander and of visit of Göring, and put various questions as to German foreign and economic policy.	319	613
Nov. 16	<i>Memorandum by an Official of Department II</i> Records conversation with Yugoslav Chargé d'Affaires, who regretted that police inquiries in Berlin into activities of certain Croat émigrés in Berlin (suspected of complicity in murder of King Alexander) had produced such poor results.	332	637
Nov. 25	<i>Circular of the State Secretary</i> Instructs Missions as to German attitude towards Yugoslav Note to Council of League of Nations concerning responsibility for assassination of King Alexander; whilst sympathetic to Yugoslav desire for thorough investigation of crime, regrets that this should be done through League of Nations.	354	673
	[See also under Hungary.]		

No. 1

9296/H255880-83

Memorandum by the State Secretary

BERLIN, June 14, 1934.

As M. Litvinov had told the Foreign Minister yesterday¹ that he reserved the right to inform the other interested Governments of the gist of the conversation, I asked the French Counsellor of Embassy, Arnal, to call on me this morning (the Ambassador left yesterday afternoon on leave). I told M. Arnal that the Foreign Minister had intended to ask M. François-Poncet to call on him in order to inform him, at his request, of the basic attitude of the Reich Government to the Litvinov-Barthou Eastern Pact. He had, however, wished to wait first for Litvinov to pass through [Berlin] in the hope that Litvinov might perhaps give some further information on the proposed Eastern Pact. M. Litvinov had been here yesterday, but the Foreign Minister had had to leave for Venice directly afterwards, so that the conversation he had intended to have with Ambassador François-Poncet had not proved possible.

As, however, M. Litvinov had brought neither written proposals nor further details with him, the Foreign Minister had told him exactly what he intended to tell the French Ambassador about the German attitude. The Foreign Minister had said that the Russo-French plan, as far as we knew it, contained much that appealed to us. We were in agreement in principle with the idea of consultation and welcomed also the reception accorded to the idea of non-aggression, which we ourselves had supported in the debate, but with the reservation that it was regrettable to note that the terms as communicated to us represented a backward step, since there had already been agreement in principle in Geneva in the sense of "no use of force".

On the other hand, we did not care for the tendency shown in both cases to form groups of Powers; our wish was to have universal pacts, at least pacts covering Europe, or bilateral treaties. Furthermore, in view of our geographical and military situation, the idea of mutual support did not appeal to us on account of the dangers which might arise therefrom for Germany. We were also rather against the idea of pacts being guaranteed by particular Powers. The Foreign Minister had also emphasized that we could only finally define our attitude

¹ For Neurath's memorandum of June 13 on his conversation with Litvinov, see vol. II of this Series.

when we had more precise knowledge of the plan, and that we were prepared to study the Russo-French proposal carefully, in fact to a certain extent we had already started studying it. Continuing, I told M. Arnal that Litvinov, without explaining the Eastern Pact further, had expressed his regret that we had not accepted his January proposal [sic] for a Baltic pact.² Herr von Neurath had again explained the reasons which had been decisive for us in this matter. For the rest, the conversation had turned to the ideological differences existing between the two countries, and the need to prevent these differences from influencing relations in foreign policy. I concluded by saying that the conversation had been conducted in a moderate, almost amicable tone.

M. Arnal considered our attitude very negative and asked where, in fact, our "in part positive" attitude came in. I explained this to him, whereupon he said, as the French Ambassador had likewise said recently,³ that François-Poncet and other diplomats in Berlin had gathered from occasional remarks by the Reich Chancellor that he was prepared to conclude a pact for mutual support, and that the French Embassy in its reports to Paris had attached much importance to this. He wanted me to tell him whether the Reich Chancellor had been misunderstood or whether he had changed his mind.

I told the Chargé d'Affaires that neither the one nor the other was the case. The Chancellor was quite prepared to take action conjointly with other States against any disturbance of the peace, but this preparedness must come under the heading of "consultation" and not under the heading of "mutual support". What we had always declined, and were still declining, was to be compelled by treaty articles to take part in the actions of other States, even when we were not ourselves interested. Germany represented an armaments vacuum in Europe and it had been found by experience long ago that, in military conflicts, hostilities were conducted in such weakly armed territories. But we had no desire to surrender our country to this.

M. Arnal then said that, according to what M. Massigli had said in Geneva,⁴ the Russian plan (he spoke of a "Russian proposal") proceeded from the assumption that neither Britain nor America were prepared to conclude a peace treaty with extensive obligations. Britain, for example, had recently declared again that she was not able

² Litvinov had proposed a Russo-German guarantee of the Baltic States in a conversation with Nadolny, then German Ambassador in Moscow, on Mar. 28, 1934; see vol. II of this Series.

³ In a conversation with Bülow of June 7, 1934. See vol. II of this Series, Berlin circular telegram of June 7.

⁴ On June 11, 1934, at a meeting of the General Commission of the Disarmament Conference. See League of Nations: *Records of the Conference for the Reduction and Limitation of Armaments, Series B, Minutes of the General Commission* (hereinafter cited as *Minutes of the General Commission*), vol. III, p. 691.

to go beyond the Locarno guarantee.⁵ From this there had arisen the idea of a pact of guarantee limited to certain territories. To this I replied that Britain, and America too, had been prepared to agree to consultation and to renounce aggression and, even more, the use of force. I was not aware that anything had changed in this respect.

BÜLOW

⁵ The reference is to a statement made by Mrs. Corbett-Ashby on June 11 at a meeting of the General Commission of the Disarmament Conference. See *Minutes of the General Commission*, vol. III, p. 690.

No. 2

7879/E570566

Memorandum by the Deputy Director of Department II

BERLIN, June 14, 1934.

The question¹ was raised in November 1927 in a Note from the French Embassy (see II b R 2731 of November 15, 1927).² In our reply (see II b R 230 of February 17, 1928)³ we took the view that the granting of leave to participate in regimental celebrations did not constitute a violation of the demilitarized zone.

It has been agreed with Herr Voigt and Herr Frohwein that the latter should point out orally to General Schönheinz, with reference to the attached communication,⁴ that "particular care and restraint are called for"⁵ in view of the present political situation.⁶

R[ENTHE]-F[INK]⁷

¹ This memorandum was occasioned by telegram No. 807 of June 13 from the Embassy in Paris [II b R 115] (7879/E570564-65), reporting an article in that day's *Matin* on the arrival in Lindau on June 9 of a uniformed detachment of that Reichswehr regiment which had a traditional link with Lindau. The article further stated that this visit was to be followed by others to the former garrison towns in the Palatinate. This telegram was forwarded to the Reichswehr Ministry on June 20 (7879/E570570-71).

² Not printed (M43/M001177-78).

³ Not printed (M43/M001194-95).

⁴ This appears to refer to a minute (7879/E570569-70) dated June 20, but drafted by Voigt and Strohm of Department II on June 13, in which detailed reasons were given why this incident did not constitute a violation of Article 43 of the Treaty of Versailles.

⁵ The quotation marks were subsequently inserted by Köpke. A handwritten marginal note at this point reads (7879/E570567-68): "This is not enough! If we are informed of every military band which gives concerts in the demilitarized zone, we should at least be informed in good time before the appearance, as in this case, of more or less entire detachments of troops. Does even the Reichswehr Ministry itself receive prior information of the granting of such collective leave? This at least should be ensured! Otherwise where will it all end? In this period of tension we must be able to check up on the activities of *all* departments, in order to find out whether incidents are being caused unnecessarily. There must be no incidents in the demilitarized zone at present! All this has at the moment nothing to do with the *legal question*. I know that, even in the present case, this is in our favour but it cannot affect my opinion. I request therefore that you speak to the Reichswehr Ministry in this wider sense, and report on the result. Köpke, June 14."

⁶ Handwritten marginal notes: (i) "Submitted to the State Secretary for his approval. [Köpke]." (ii) "I entirely agree with Ministerialdirektor Köpke's view. Moreover

No. 3

8668/E606750-52

The Reich Minister of the Interior to the Foreign Ministry

I 2030 A/24.5

BERLIN, June 14, 1934.

Received June 15.

II Oe. 1504.

Subject: Incidents on the German-Austrian Frontier.

With reference to your communication II Oe. 1279 of May 24, 1934.¹ I have sent the Bavarian Minister President² a letter, copy of which is enclosed, together with a copy of your own communication. I have sent a copy of my letter to the Bavarian Minister President to the Supreme Command of the SA and have requested them, too, to see to it that this intolerable state of affairs, which jeopardizes the reputation of the SA and SS, is brought to an end immediately.

I have informed the Reichswehr Minister,³ the Führer's Deputy⁴ and the State Secretary in the Reich Chancellery⁵ of the action I have taken.

FRICK

¹ Not printed (8668/E606743-48). In this letter Neurath drew the attention of the Reich Ministry of the Interior to the numerous incidents due to the concentration and activities of formations of the Austrian Legion and the Heimwehr along the German-Austrian frontier. He considered these incidents were of a nature to endanger the foreign policy of the German Government and steps for their prevention should therefore be taken.

² Ludwig Siebert.

³ Gen. von Blomberg.

⁴ Rudolf Hess.

⁵ Hans Heinrich Lammers.

the Reichswehr Minister has recently caused himself to be given special plenary powers to enable him to guard against anything happening in the demilitarized zone. What has he got them for?! B[ülow], June 14."

⁷ In a minute of June 26 (7879/E570572) Frohwein recorded that he had discussed the matter with General Schönheinz, who was also of the opinion that such incidents should be avoided. Apparently the men concerned had been given leave individually and had then assembled in Lindau. The case would be investigated and if necessary such procedure would be prohibited.

On July 4 the Foreign Ministry received a copy of a circular of the Prussian State Police dated June 27 (7879/E570574-75), giving detailed instructions regarding the demilitarized zone. The first paragraph of this circular reads: "Owing to the state of Franco-German relations, which is still very tense, everything must be avoided in the near future which could be held against us by France as a violation of valid international treaties. Great care is especially indicated in all measures concerning defence in the demilitarized zone. New regulations are therefore necessary for this zone. The State Police commandants may supplement the following instructions with more severe measures in accordance with local conditions."

A handwritten marginal note on this circular reads: "Senior Counsellor Voigt: These instructions are occasioned by the suggestions I made recently to the Prussian Ministry of the Interior and to the Reichswehr Ministry on account of the state of the disarmament negotiations. F[rohwein], July 5."

[Enclosure]⁶

1 2030 A/24.5

BERLIN, June 14, 1934.

Subject: Incidents on the German-Austrian frontier.

I beg to enclose herewith copy of a letter, No. II Oe. 1279 of May 24, 1934, from the Foreign Ministry. Even though, according to this, the very serious incidents on the Bavarian-Austrian frontier are in the first place to be attributed to the concentration of formations of the Austrian Heimwehr in the frontier areas, to the use of Heimwehr men in the Austrian frontier service and to their irresponsible behaviour, it cannot be denied that a state of affairs has also developed on the Bavarian side which has become intolerable. I therefore venture to request that you take the following measures immediately:

1. The frontier control service, composed of Austrian refugees, which was set up by the Special Delegate for Austria [*Sonderbeauftragter*],⁷ to be disbanded. It is incomprehensible to me that the Bavarian State Government and the Bavarian Political Police should have given their consent to this organization. The maintenance of peace and order in the frontier region, counter-espionage and the control of frontier crossings are purely matters for the regular State services (police, *gendarmerie*, customs). It is evident from the numerous very serious incidents for which this private frontier service is responsible that the opposite of peace and order has been created in the frontier region.

2. Members of the so-called Austrian Legion⁸ to be removed from the frontier region.

I absolutely agree with the Foreign Ministry's serious view of the situation and request you urgently to take speedy and effective action to remedy it.

A copy of this letter has been sent to the Ministerial Office of the Supreme Command of the SA.⁹

FRICK

⁶ Copies of this letter were also addressed to the Reichsstatthalter of Bavaria, Gen. Ritter von Epp, and the Bavarian State Minister of the Interior, Adolf Wagner.

⁷ SA-Oberführer Langer, Special Delegate for Austria of the Supreme Commander of the SA [*Oberster SA-Führer*].

⁸ Formed of Austrian National Socialists who had fled to Germany. See vol. I of this Series, document No. 411, and vol. II of this Series, *passim*.

⁹ The following comments on this document appear on a separate sheet (8668/E606753): (i) "Now that the Minister of the Interior has written to the Bavarian Minister President it should be possible to propose to the Austrian Government the mutual withdrawal of irregular formations from the frontier. Judging by past experience, it might, however, be advisable to wait until the Bavarian Government have replied. Respectfully submitted herewith to M[inisterial]D[irektor] Köpke with the request for instructions. H[üffer], June 19, 1934." (ii) "Herr Hüffer for information. For the time being we must wait until we have cleared up our own affairs. R[enthe]-F[ink], June 22."

No. 4

7467/H181228-34

The Ambassador in France to the Foreign Ministry

Telegram

No. 821 of June 15

PARIS, June 15, 1934.

Received June 16—9:35 a.m.

II Abr. 1676.

Delayed owing to a breakdown in transmission.

With reference to my telegram No. 813 of June 14.¹

Barthou began his conversation by remarking that he had been accused of being unfriendly to Germany, and especially to Prussia, in his speech.² This was not correct. He had merely quoted Mirabeau's words in order to draw a comparison between present-day Germany, which was taking an active part in cooperation amongst the nations, and Prussia in the eighteenth century. His words had been more or less misinterpreted. I replied that I could not quite agree with him. To resort to not very flattering quotations from past centuries was always dangerous. Nor would it cause any delight in France if Germans, on the occasion of speeches about present-day France, were to talk about the devastation and pillaging of Germany by French generals during the last few centuries. At any rate, he must not be surprised at his words having caused a great deal of ill-feeling in Germany.

Barthou then raised the question of security. All nations, even Britain and the former neutrals, were now agreed that the problem of security was the most important factor in the pacification of Europe and that it must therefore be the first problem to be solved. I replied that my impression was that, even today, Britain still regarded disarmament as the most important factor for the creation of security and I had also gained the same impression from the statement made by the neutrals.³ As before, Germany was still of the opinion that disarmament of the heavily armed States and a simultaneous adjustment of

¹ Not printed (7467/H181221); in this telegram Köster reported that the instructions contained in telegram No. 292 of June 13 (7467/H181218-20) had arrived in time and had enabled him to conduct his conversation with Barthou on the lines desired.

² For the official text of Barthou's speech of May 30, 1934, at the Disarmament Conference, see *Minutes of the General Commission*, vol. III, pp. 665-670. According to reports in the press, Barthou had said: "Prussia was a country in which war was a natural industry", a phrase which does not appear in the official version. In submitting the official text of the speech to the State Secretary on June 4 Frohwein of Department II pointed out in a covering minute (7641/E546037-38) that "the most violent phrases against us have been omitted from the written text of the speech".

³ For this statement by the Danish, Netherlands, Norwegian, Spanish, Swedish and Swiss Delegations to the General Commission of the Disarmament Conference on June 1, 1934, see *Minutes of the General Commission*, vol. III, p. 676.

the German defence system on the basis of equality of rights would automatically bring the problem of security closer to a solution. If at long last the French Government were to decide to adopt the German ideas, the greater part of the road towards the Convention would have been traversed. At any rate, he could rest assured that the German Government desired nothing more than at last to have a tranquil Europe. That this was, in fact, their intention they had proved—apart from many statements by the Reich Chancellor—by agreeing to the British⁴ and Italian memoranda,⁵ with a slight alteration to the proposals. The realization of equality of rights must remain the starting point for disarmament negotiations and only these would in the end lead to attaining the object. I once again warned the Foreign Minister, as I have done before, against making the mistake of simply disregarding the concessions we had so far made, which represented the limit of what was possible, and of believing that it would be possible to demand fresh concessions from the German Government. This mode of negotiating was inherent in the French character but was absolutely useless. He, Barthou, had told me of his own accord on the station before leaving for Warsaw,⁶ after the Note of April 17⁷ had been sent to the British Government, that the door was not closed and that we would be talking about this on his return. I had to admit to him frankly that I could see no door at all since the Geneva negotiations, unless it was a secret door to which only he had the key. If this was the case, he should open it and show us the way. The Foreign Minister replied that his negotiations in London were of vital importance for any further progress. I must not forget that in their Note of January 29⁴ the British had taken the intransigent view that France should disarm at once. In her statement of April 16⁸ to the British Government, Germany had declared her readiness not to insist on the disarmament of France for the first five years of a ten-year Convention. The British Government had as yet not supported this German view. The main point for discussion in the forthcoming conversations in London⁹ would therefore centre on the question of whether the British would be prepared to depart from their view as set forth in the Memorandum

⁴ For the British Memorandum of Jan. 29, 1934, see British White Paper, Cmd. 4512 of 1934: *Memoranda on Disarmament issued by the Governments of the United Kingdom, France, Germany and Italy, January 1934*, No. 4.

⁵ For the Italian Memorandum, published on Jan. 31, 1934, see *ibid.*, No. 3.

⁶ Barthou visited Warsaw Apr. 22–24, 1934. Köster had reported this statement in the course of his telegram No. 572 of Apr. 22 (7467/H180815–18), and had added that he could not believe that it accorded with the views of Barthou's Cabinet colleagues.

⁷ For the French Memorandum handed to the British Chargé d'Affaires in Paris on Apr. 17, 1934, see British White Paper, Cmd. 4559 of 1934: *Further Memoranda on Disarmament February 14 to April 17, 1934*, No. 8.

⁸ For the German statement of views of Apr. 16, 1934, on the British Memorandum of Jan. 29, 1934, see *ibid.*, No. 6.

⁹ Barthou visited London July 8–10, 1934. See also documents Nos. 84 and 85.

of January 29. Should the British Government modify their point of view on the lines indicated, this would create a new basis which warranted great hopes. I told the Foreign Minister in reply that I was pleased about his optimism but judging by past experience I must nevertheless fear that, even if he could get the British to abandon their view, other influential members of the Cabinet were by no means of the opinion that this would create a fresh situation which would enable France to conclude a convention. The Foreign Minister shrugged his shoulders and said that, in any case, one would have to await the outcome of the London conversations.

Of his own accord Barthou then came to speak of the Reich Chancellor's meeting with Mussolini.¹⁰ Mussolini had invited him repeatedly to come to Rome, before his meeting with the Reich Chancellor. To this he had replied that he did not care a hang about this (literally: *Je m'en fous*). He would only go if he thought a trip would be practical and expedient. Excuses¹¹ of this kind could easily give the impression of an intrigue and of one party being played off against the other which he would like to see avoided at all costs. If he went abroad he would want to bring back results and not a lot of sweet words.

With reference to the Saar question the Foreign Minister thought that his intentions towards Germany could best be seen from his having agreed to the date for the plebiscite being fixed.¹² I replied that, apart from the sacrifices which the German Government had made, we also had reason to be satisfied, since the intrigues of various irresponsible and, for that matter, responsible French elements in the Saar territory had at last been stopped to a certain extent. Here I had especially in mind the Association Française de la Sarre¹³ of which, incidentally, Minister President Doumergue was still Honorary President, and various politicians such as Deputy Fribourg¹⁴ and Senator Eccard,¹⁵ as well as the French Mines Administration, all of whom believed they could make their own policy and need not concern themselves much about the Government's wishes. I saw in this the chief value of the agreement on the Saar. The Foreign Minister replied that the Saar policy was not made by the persons or associations I had mentioned but by himself. Almost in every conversation with me he had empha-

¹⁰ At Venice, June 14-16; see also documents Nos. 5, 6, 7 and 26.

¹¹ The Paris draft (M38/M001055-61) here reads "excursions".

¹² The Council of the League of Nations had, on June 4, 1934, approved a report by its Committee of Three which defined the regulations and procedure for the Saar plebiscite and fixed Sunday, Jan. 13, 1935, as its date. See League of Nations: *Official Journal*, June 1934, pp. 643-656.

¹³ An unofficial society with headquarters in Paris, concerned to promote links between France and the Saar Territory.

¹⁴ André Fribourg, *rapporteur* on Saar questions to the Foreign Affairs Commission of the Chamber of Deputies.

¹⁵ Frédéric Eccard, Senator for the Bas-Rhin *département*, 1920-1935.

sized his intention of reaching an understanding with Germany. I expressed the hope that he would succeed in translating these good intentions into reality.

Finally, Barthou also came to speak about the Litvinov proposal. I remarked that I did not yet know my Government's position on this proposal but only knew that Litvinov had had a conversation with Baron Neurath¹⁶ during which the proposal had been discussed; the Russian Commissar for Foreign Affairs had, however, refrained from going into details or leaving anything in writing. Barthou replied at once that this was not quite correct. He, too, had received information about the conversation.¹⁷ The conversation had gone much further and he would instruct his Secretary General to show me the reports which had been received. I should be seeing M. Léger¹⁸ at the beginning of next week. At any rate, Litvinov's proposal had not been discussed in detail at Geneva. There had only been agreement about a rough outline. Should it prove possible to reach agreement between the interested States and Germany on the strength of this scheme, France would very much welcome this. I remarked on this that, unfortunately, one passage in Barthou's instructions to the French Ambassador evoked a somewhat paradoxical comparison, namely the statement to us that the proposed pact was not directed against Germany.¹⁹ This could roughly be compared with information I might receive from an acquaintance that I would probably be invited to dinner by a third party during the next few days, to which my acquaintance would add that he would very much like me to accept. I might rest assured, however, that there was no chance of my being poisoned.

The Foreign Minister was silent for a moment and then said that this had not been his intention.

Afterwards Barthou went on to speak of his visits to Yugoslavia²⁰ and Bucharest²¹ and stated that Hungary had also asked him to stay at Budapest. He had declined since he was a man who believed in method and, after all, he did not travel about the world in order to exchange courtesies. He became very animated in the end on the subject of Yugoslavia. He quite understood that we were interested in Yugoslavia and that this country was also, to a certain extent, interested in us. These interests were absolutely consistent with the

¹⁶ For Neurath's memorandum of June 13, 1934, on this conversation see vol. II of this Series. German Missions abroad had been informed of this conversation by a circular telegram of June 13 (6695/H099994-95).

¹⁷ For the information about the Neurath-Litvinov conversation which Bülow gave to Arnal, the French Chargé d'Affaires in Berlin, see document No. 1.

¹⁸ Alexis Léger, Secretary General in the French Foreign Ministry. No record of such a conversation has been found.

¹⁹ See vol. II of this Series, Berlin circular telegram of June 7, 1934.

²⁰ Barthou visited Belgrade June 24-27, 1934; see document No. 39.

²¹ Barthou visited Bucharest June 20-23, 1934; see document No. 41.

economic situation of the two countries but France could in no circumstances allow (literally) Germany to become Yugoslavia's bed-fellow.

KÖSTER

No. 5

3086/617328-32

Memorandum by the Foreign Minister

VENICE, June 15, 1934.

RM 657.

FIRST CONVERSATION BETWEEN MUSSOLINI AND HITLER ON
JUNE 14, 1934¹

The conversation lasted two and a half hours. The first place in the discussion was given to the Austrian problem. The Reich Chancellor explained his attitude to Mussolini as follows:

After all that had happened it was not possible to come to terms with Dollfuss. If a settlement of the Austrian question was to be found, which was also his profound desire, this could only be done on the following basis:

(1) The question of the *Anschluss* was of no interest since it was in no way acute and, as he was well aware, internationally not feasible.

(2) He must insist that a personage of independent outlook, that is to say not bound to any political party, should be at the head of the Austrian Government. (In reply to Mussolini's question whether he had any particular person in mind, the Reich Chancellor replied that he had not.)

(3) This personage would have to proclaim an election as soon as possible so that the attitude of the Austrian people would be made clear.

(4) After this National Socialists would have to be taken into the Government.

(5) All economic questions in Austria should be handled by Germany and Italy in closest consultation.

Furthermore, the Reich Chancellor conveyed to Mussolini his wish that the latter should withdraw the protecting hand he had hitherto held over Austria.

Mussolini at first merely took note of the Chancellor's statement after the Reich Chancellor had also explained to him fully his views on the political situation inside Austria.

¹ Hitler had arrived in Venice on June 14. For the background to the visit see vol. II of this Series.

SECOND CONVERSATION BETWEEN MUSSOLINI AND HITLER ON
THE AFTERNOON OF JUNE 15

The conversation lasted an hour and a half. In this second conversation, held in the garden of the Venice Golf Club at the Lido, and said by the Chancellor to have resulted in a close reconciliation of the views of the two statesmen, Mussolini discussed the disarmament question, Germany's return to the Disarmament Conference and to the League of Nations, the repercussions of Russia's possible admission to the League of Nations, Russia's Eastern Locarno Pact, Britain's attitude and naturally France's attitude also, as well as Italo-French relations and, finally, in quite general terms, also German-Italian economic relations.

(1) *The Disarmament Question.* After acknowledging our views and particularly our decision to rearm on a scale proposed by ourselves Mussolini enquired whether we would be satisfied with a possibly reduced actual strength of, say, 230-250 thousand men. The Reich Chancellor rejected this and explained how we had arrived at the figure of 300 thousand men.

(2) The Chancellor indicated our well-known reasons against Germany's return to the Disarmament Conference and to the League of Nations, stating, at the same time, that he was by no means an opponent of the League of Nations on principle, but that he considered the League in its present form to be a useless instrument. Since Mussolini had also declared the League of Nations to be in need of reform, the Chancellor said that our absence would be of more use for a possible reform of the League than would our return to it. In this connexion, Mussolini mentioned once again his old idea of concerted action by the Great Powers and, with reference to the extension of the original Four Power Pact,² spoke also of the participation of Poland and, if possible, the United States and Japan. As to a return to the Disarmament Conference, the Reich Chancellor said this was impossible as long as a clear guarantee of recognition of our equality of rights and our armament demands was not given.

The two statesmen held Russia's admission to the League of Nations to be merely a means which would provide the Russians with a possible platform for their propaganda purposes.

Mussolini referred to Britain's attitude to the armaments question as weak and ill-defined and pointed out, in particular, that there was not one single real statesman in the Government in England.

As for France, Mussolini was of the opinion that she had at present no clear policy at all for dealing with the disarmament question, in connexion with which the Chancellor pointed out, with reference to

² See vol. I of this Series, document No. 292.

the afore-mentioned French demand for an actual strength of 250 thousand men for the German Army,³ that even if Germany did give in, the French would at once find fresh grounds for evading their own disarmament. Moreover Mussolini said he did not intend in any way to take the initiative in the matter of disarmament.

As far as Italo-French relations were concerned, Mussolini said that all the attempts he had repeatedly made to come to amicable terms with France had failed. Nor could it be assumed, as matters stood, that a serious *rapprochement* could be achieved between Italian and French policy. He would, of course, endeavour to take the sting out of Italian-French relations, and therefore he always responded to what appeared to be French attempts at a *rapprochement*. But in actual fact he did not expect anything to come of it. This was also clear from the eleven months of negotiations with France on the naval question,⁴ when the French had demanded that they should always be allowed to construct two large capital ships to every one built by the Italians. He had rejected this and had broken off negotiations. By way of reply he had then decided upon the construction of two 35,000 ton ships.

With reference to German-Italian relations, both statesmen expressed mutual interest and the wish for their relations to become still closer, and emphasized particularly that the Austrian question must not and would not be an obstacle in the shaping of these relations. Furthermore, everything was to be done in the economic sphere from time to time to promote common interests and settle differences.

Mussolini spoke very disapprovingly of the treaty system proposed by Russia⁵ since this would simply mean a return to the old system of pre-war alliances. Italy would most certainly not join any such combination.

In addition, Mussolini discussed the question of relations between National Socialism and the Church, the Jewish question and questions concerning Germany's domestic politics.

Both Mussolini and Hitler expressed great satisfaction with their conversations.

FRHR. V. NEURATH

³ No trace of a French proposal giving a figure of 250,000 men has been found.

⁴ In telegram No. 75 of Mar. 23, 1934 (7467/H180556-58), Hassell reported that Mussolini had told him that six months previously attempts had been made to reach agreement with France over naval building programmes. In despatch I 398 of Mar. 29, 1934 (7467/H180643-46) Hassell reported that negotiations between France and Italy on naval questions had apparently been resumed, but that he had been unable to obtain any detailed information.

⁵ See vol. II of this Series, Berlin circular telegram of June 7, 1934.

No. 6

6036/E444875

Memorandum by the Foreign Minister

VENICE, June 15, 1934.

RM 658.

Concurrently with these conversations between Mussolini and Hitler, I was having conversations with Mussolini and particularly with Suvich. I told Mussolini about my discussion with Litvinov¹ and the reasons which I gave him for our rejection of the Russian pact proposal. Mussolini fully approved these reasons and, at the same time, drew my attention to an article in the *Popolo d'Italia* of (?) June 13 in which the same views were put forward. With Suvich I also discussed all the points mentioned in the conversations between Mussolini and Hitler. Apart from our attitude to the question of our return to the Disarmament Conference and to the League of Nations, which had his approval, Suvich showed cautious reserve.

FRHR. V. NEURATH

¹ On June 13; see vol. II of this Series.

No. 7

6036/E444868

*Unsigned Memorandum*¹

[June 15, 1934.]

RM 659.

The following points were set down in writing by the Italians as

¹ That this memorandum is by Neurath emerges from a letter by Köpke to Hassell in Rome (3117/641469-78) dated June 20, which reads as follows: "On behalf of the Foreign Minister I send you herewith a memorandum of June 15 [document No. 5] which he had already composed in Venice, concerning the conversations between Mussolini and the Reich Chancellor, based on verbal information from the latter. This memorandum has been submitted to and approved by the Chancellor.

"Annex 1 [the document here printed] represents the formulation of the five points concerning Austria which Suvich gave you [at this point Hassell has written 'when?' in the margin]. In [Point] No. 1 Neurath has altered the words 'out of the question' which went too far into 'is not under discussion'. The record in this amended version was expressly approved by the Chancellor and the Head of the Italian State.

"Annex 2 [document No. 19] is a short note which the Foreign Minister put on paper after he had discussed the memorandum with the Chancellor here. We had asked Neurath to clear up a few further points. The outcome is recorded in this note of June 18 [*sic*: 19].

"Neurath, who sends you his best wishes, would have sent you these papers himself if he had not at the moment been, as you can well imagine, extremely busy. He did not want to keep you waiting any longer for this material which is obviously so very important for you to have [see also document No. 26]."

being the Reich Chancellor's attitude to the Austrian question. Mussolini and the Reich Chancellor described the text, with the amendment in paragraph 1, as correct.

(1) The *Anschluss* of Austria with Germany is [out of the question] not under discussion.²

(2) The Austrian Federal Chancellor must be an independent personage who is not a member of any of the parties which are in conflict at present.

(3) An election is to be proclaimed so as to enable the Austrian people to express their will freely.

(4) The Nazis are to be taken into the Government in proportion to the results of the election.

(5) All matters concerning Austria are to be decided by Germany and Italy in agreement with each other.³

² The words in square brackets have been scored through in the text.

³ Marginal notes by Hassell on his copy (see footnote 1 above) against point 5 read: "(a) Therefore already *now*, not only after the performance of [points] 2-4; (b) therefore *all* questions, not only economic ones as stated in the memorandum [document No. 5]. (Suvich: 'after' and 'all' questions)." See also document No. 62 and footnote 3 thereto.

No. 8

6197/E466628-29

Memorandum by an Official of Department VI

BERLIN, June 15, 1934.

[zu] IV Po. 4426.¹

zu VI A 2058.¹

The complex of questions dealt with in the Legation's despatch¹ has been thoroughly discussed with Barandon (Dept. V) and Krahmer-Möllenberg,² as well as with Herren Hasselblatt,³ Junghann⁴ and Kirchhoff.⁵

¹ Warsaw despatch A 112 of May 26, 1934 (9295/E660170-75) which commented on the action taken by the Polish Delegate to the League of Nations, Count Raczyński, who on Apr. 10 had asked the Secretary General of the League to place on the agenda of the next Assembly a resolution (published in the *Journal des Nations* of Apr. 11) in favour of making the protection of minorities universal and compulsory. The despatch quoted a statement by Beck in the Foreign Affairs Committee of the Polish Senate on Feb. 5, 1934, that either the obligation for the protection of minorities must be made applicable to all or "the present system must, for lack of sufficient moral basis, be subjected to revision".

² Head of the Deutsche Stiftung; this organization is described in an unsigned and undated memorandum, e.o. VI A 771 of 1930, registered on May 16, 1930 (K1005/K263959-78), as a confidential agency (*Vertrauensstelle*) of the Reich and Prussian Government whose tasks lay in the social and cultural spheres, especially in the ceded areas in the north and east. At its head was an executive committee which consisted of one representative of each of the parties of the Weimar coalition (*der Parteien der Weimarer Koalition*). Dr. Krahmer-Möllenberg was its managing director (*Geschäftsführendes Vorstandsmitglied*).

We were in full agreement that it was in the German interest to make it as difficult as possible for Poland to get out of the obligations arising from the Treaty for the Protection of Minorities.⁶ At the same time we must try to make it as difficult as possible for the League of Nations to rid itself of its obligations as guarantor of the treaties for the protection of minorities. The German national group is to try to find allies for so doing in Geneva. In particular it is proposed to win over the League Secretariat, whose officials naturally have no interest in reducing the value of the work done for minorities by the League of Nations. In British League of Nations circles there does not appear at present to be any intention of helping the Polish plan forward. It is also proposed to work on the representatives of the neutrals.

This will first be done *sub rosa* in Geneva by the representatives of the German national groups and the German Society for League of Nations Questions.

Furthermore, we are agreed that it would at present be inexpedient for the Germans to propose to Poland the conclusion of a bilateral minorities treaty. German interest in the preservation of the German minority in the lost territories is incomparably greater than Polish interest in the preservation of the Polish minority in the Reich. It will therefore be advisable to await the course of events in Geneva, as there is always the possibility that Polish tactics there will be seen through and obstructed by some of the League of Nations Powers.

Submitted to Department IV (Poland), together with the copy of the report from Warsaw, which was made available to us.

R[OEDIGER]

³ Werner Richard Carl Hasselblatt, legal adviser to the League of German National Groups in Europe (*Verband der deutschen Volksgruppen in Europa*) and formerly a German National Group representative in the Estonian parliament. Documents on the League of German National Groups in Europe have been found in the files of the Cultural Policy Department and filmed on serial K1001; these indicate that from 1933-1936 the League received from the Foreign Ministry annually a subsidy for administrative expenses and a further subsidy which, according to the annual statements which the League submitted to the Foreign Ministry, were used for the League's activities abroad (*Auslandszwecke*), in addition to certain other subsidies for special purposes.

⁴ Regierungspräsident a.D. Dr. Otto Junghann, Chairman of the Council of the Institute for Frontier and Foreign Studies (*Vorsitzender des Kuratoriums, Institut für Grenz- und Auslandsstudien*) and author of a publication on minorities. Documents on this Institute have been filmed on Serials K1000 and K1006; it had in earlier years received subsidies from the Foreign Ministry, the Reich Ministry of the Interior and the Prussian Ministry of Education, but no evidence has been found indicating whether it was receiving any direct financial assistance from the Foreign Ministry or the Reich Ministry of the Interior at this time.

⁵ Superintending Director of the German Society for League of Nations Questions (*Deutsche Gesellschaft für Völkerbundsfragen*); this Society, previously the Deutsche Liga für den Völkerbund (the name had been changed in 1933), was a voluntary association, but received subsidies from the Foreign Ministry which in the financial year 1933-1934 amounted to 60,000 RM and in 1934-1935 to 120,000 RM. Documents on this organization have been filmed on Serials 6429, K995 and K996.

⁶ Concluded by the United States, the British Empire, France, Italy and Japan with Poland on June 28, 1919; for the text see *British and Foreign State Papers* (London: H.M. Stationery Office, *in progress*) (hereinafter cited as *B.F.S.P.*), vol. 112, pp. 225-243.

[EDITORS' NOTE. In April and May, 1934, a Conference between the Reichsbank and the representatives of the foreign creditors of Germany (France, Great Britain, Netherlands, Sweden, Switzerland and the U.S.A.) was held for the purpose of ratifying the Agreement reached in January 1934 between the Reichsbank and the representatives of foreign long-term and medium-term creditors, regarding the ending of discrimination between country and country and arrangements for the payment of debt service. By the time the Conference was held, however, the transfer situation in Germany had so much deteriorated that the Reichsbank was compelled to make further offers. These were accepted, subject to certain provisos, by the British, French and Swedish delegations and rejected by the Dutch and Swiss delegations, while the American delegation were content to record that they had taken part in the Conference only on the restricted basis on which it had been called, namely the ending of discriminatory agreements. For the official communiqué issued on May 29, 1934, see the London *Financial News* of May 30. Documents on the Conference have been filmed on Serials 9119, 9509 and 9616.]

No. 9

9252/E654498-500

*The Director of the Economic Department to the
Embassy in Great Britain*

Telegram

IMMEDIATE

BERLIN, June 16, 1934—3:20 p.m.

No. 167

e.o. W 4729.

(1) For your information only.

We are at present negotiating here with Holland and Switzerland about maintaining transfer payments even during the six-month full moratorium on transfers.¹ Agreement will probably be reached on the basis that even during these six months we shall be prepared to transfer against additional genuine exports of goods the interest on long and medium term loans, including the Dawes and Young loans, at a reduced interest rate. We could probably already reach agreement with both these countries now on the basis of $4\frac{1}{2}$ per cent interest. We are insisting, however, that only 4 per cent shall be transferred. The two countries would thereby waive their claim to the remaining sum of interest for this period.

(2) In the middle of next week we shall probably open negotiations

¹ On June 14, 1934, the Reichsbank had declared a full moratorium, to take effect on July 1, on Germany's long and medium term debts, including the Dawes and Young Loans. See also vol. II of this Series.

No. 10

6036/E444864-66

*Circular of the Foreign Minister*¹

Telegram

BERLIN, June 16, 1934—9:45 p.m.
e.o. II It. 939 Ang. I²

For your provisional information and guidance on language to be held.

The Reich Chancellor's visit to Venice³ went off with exceptional cordiality and most harmoniously, and made a great impression on the public as well. The meeting was, as had been agreed beforehand, less in the nature of a State visit than a personal meeting; it also had a certain party-political note.

Hitler and Mussolini got on extremely well together and conceived feelings of personal friendship over and above their mutual esteem.

The conversations, which were detailed and were held in an atmosphere of intimacy, ranged over all the questions arising from the affinity between the two concepts of the State, and far-reaching agreement was established. Formal agreements had not been envisaged and were, in consequence, not concluded.

In particular, the questions of disarmament, the League of Nations, Austria, German-Russian relations, the Eastern Pact, British policy, Italo-French relations, the Four Power Pact,⁴ the German church conflicts, the Jewish boycott,⁵ the Danubian problem, and German-Italian economic relations were discussed.

The Near and Far East and the transfer moratorium⁶ were merely touched upon; the Balkan Pact⁷ and the Rome Three Power Pact⁸ were not mentioned.

¹ Addressees were the Missions in London, Paris, Washington, Moscow, Brussels, Vienna, Warsaw (No. 108), Budapest, Sofia, Belgrade (No. 63) and Bucharest.

² Ang. II was telegram No. 65 to Tokyo of June 18 (6036/E444867), in which Bülow gave a brief account of the Venice meeting.

³ See documents Nos. 5, 6, 7 and 19.

⁴ For the Four Power Agreement of Understanding and Cooperation, initialled in Rome on June 7, 1933, see vol. I of this Series, document No. 292.

⁵ The anti-Semitic policy of the German Government provoked a world-wide boycott of German goods which was particularly effective in the United States because of the importance of Germany's trade with that country.

⁶ See document No. 9, footnote 1.

⁷ Signed at Athens by Greece, Rumania, Turkey and Yugoslavia on Feb. 9, 1934; for the text see League of Nations: *Treaty Series*, vol. CLIII, pp. 153-159. See also vol. II of this Series, Berlin circular telegram of Feb. 10, 1934.

⁸ i.e., the three Protocols signed in Rome on Mar. 17, 1934; No. I in the form of a consultative pact and No. II concerning the development of economic relations were signed by Austria, Hungary and Italy, while No. III, which was complementary to No. II, was signed by Austria and Italy only. For the text see League of Nations: *Treaty Series*, vol. CLIV, pp. 281-303. See also vol. II of this Series, report I 333 of Mar. 17, 1934, from Rome.

For your strictly confidential information: In connexion with Austria the Reich Chancellor rejected any compromise with the present Austrian Government, but described an understanding with a new Government, under neutral leadership, as desirable and demanded fresh elections. Mussolini had nothing against this. No agreements were concluded. Both agreed that the Austrian question must not be allowed to hinder the development of German-Italian relations.

On the question of Germany's return to the Disarmament Conference and to the League of Nations, the Reich Chancellor set forth our well-known point of view. The Reich Chancellor once again described the possibility of a reduction in the German armaments demands as not for discussion. A fresh Italian initiative in the disarmament question is not to be expected.

NEURATH

No. 11

6695/H100046-47

The Chargé d'Affaires in the Soviet Union to the Foreign Ministry

Telegram

MOSCOW, June 18, 1934—8:10 p.m.

URGENT

Received June 19—1:30 a.m.

TOP SECRET

No. 146 of June 18

IV Ru. 2929.

For the State Secretary personally.

The Italian Ambassador told me today about a long, very frank and friendly conversation to which Litvinov had invited him yesterday. He had asked Litvinov how matters stood with the Eastern Pact. Without touching on the terms of the pact in any way, Litvinov had replied that the pact had arisen on the French initiative. It was clear both to Barthou and himself that something had to be done to ease the intolerable tension in the political atmosphere in Europe. The Eastern Pact was to include only States really interested in Eastern Europe. Litvinov had therefore rejected the unreasonable request of Tewfik Rüştü¹ to include Turkey, the Balkans and the Little Entente. The question of other Great Powers guaranteeing the pact had not yet become actual. France was prepared to do so if Russia was prepared to become an additional guarantor of the Locarno Treaty.

To the question as to how it was proposed to relate Eastern Locarno to Western Locarno, Litvinov replied that a European security programme should comprise an Eastern programme, Western Locarno and the League of Nations; consequently it was considered that the

¹ Dr. Tewfik Rüştü Aras, Turkish Foreign Minister.

Council of the League of Nations should be the highest court of appeal in the case of Eastern Locarno as well. To a question put by the Italian Ambassador, Litvinov admitted that everything had been prepared for Russia's entry into the League of Nations and that the Soviet Union would enter immediately after the conclusion of the Eastern Pact. To a query as to how Russia's entry would be affected if an Eastern Pact did not materialize, Litvinov gave a vague answer which left it an open question whether Russia would, in that case, enter the League.

To a remark by the Italian Ambassador that it seemed unlikely that Germany could accept such a pact, Litvinov replied that the pact was not directed against Germany. If Germany declined, then the pact would be concluded without Germany. To the Ambassador's rejoinder that, without Germany, Poland would not be likely to join, Litvinov replied that he had other quite definite indications that Poland would yield to French pressure in this direction. If, however, contrary to expectation, the Eastern Pact should not materialize, he would be prepared, in order to end the intolerable tension in Europe, to conclude a bilateral assistance treaty with France.

Attolico then asked Litvinov about his conversation with the Foreign Minister.² Litvinov said that the Foreign Minister had promised to study the project carefully, and had not spoken of rejecting it. Litvinov, nevertheless, had not gained the impression that Germany was well disposed toward the plan. On the Italian Ambassador saying that, after all, that could not be expected, and that he understood France's interest in the conclusion of such a pact, Litvinov replied that even a rejection of the project would be very useful for French policy.

The Italian Ambassador, on the other hand, had the impression that Litvinov and Barthou wanted to take up the affair of the Baltic Pact³ with us again.

What appears to me the most important thing in this conversation is the cynicism with which Litvinov declared that even a rejection of the Eastern Pact would be very useful for Russo-French policy, and further that the Eastern Pact should be coupled with the League of Nations, so that the definition of aggressor⁴ would play no part here.⁵

TWARDOWSKI

² On June 13, 1934; see vol. II of this Series.

³ See document No. 1, footnote 2.

⁴ A reference to the Convention for the definition of Aggression, signed in London on July 3, 1933. For the text see League of Nations: *Treaty Series*, vol. CXLVII, pp. 67-77. See also vol. I of this Series, document No. 342.

⁵ The text of the document here printed was circulated by telegram to the Missions concerned on June 19 (6695/H100048).

No. 12

9252/E654537-38

The Ambassador in Great Britain to the Foreign Ministry

Telegram

No. 164 of June 18

LONDON, June 18, 1934—9:24 p.m.

Received June 18—11:35 p.m.

W 4863.

With reference to your telegram No. 167.¹

Scherpenberg² had an opportunity today of discussing the question in a non-committal way with the most authoritative person in the Bank of England.³ The person concerned showed much anxiety about German-British financial relations and said that he saw only three alternatives. The most undesirable and unfavourable settlement for all parties concerned would undoubtedly be a foreign exchange clearing (even if this were not imposed unilaterally but were mutually agreed upon). The Bank of England continued to be very much opposed to this plan owing to the unfavourable effects of a foreign exchange clearing on trade relations, and because the short-term commercial and Standstill agreements⁴ might possibly be imperilled.

The second basis for discussion which might not be so unfavourable here would be, our informant suggested, under the Covery [*sic*] Act⁵ whereby the service of German Reich loans in Britain would be maintained by imposing additional customs duties on German goods . . . (group missing) could be refunded to German exporters from the sums of Reichsmark accumulated in the Reichsbank and not transferred.

Finally our informant suggested that by far the most useful object of negotiation, and one which would best serve the interests of all concerned, would be a settlement which took as its point of departure the German-British balance of payments. In this case it would be a question of agreeing upon a certain figure which could be regarded as the normal German export surplus. Sums in excess of this figure could

¹ Document No. 9.

² Secretary of Legation at the German Embassy in London, and Schacht's son-in-law.

³ As emerges from document No. 21, the reference is to the Governor of the Bank of England, Montague Norman.

⁴ Following a conference in January 1934, the terms of the Standstill Agreement negotiated in February 1933 (see vol. I of this Series, No. 30) had been prolonged with minor modifications till Feb. 28, 1935. The text of this agreement of Feb. 16, 1934, is printed in *The German Credit Agreement of 1934* (Berlin, Druckerei der Reichsbank) (7188/E528342-406 [English text] and 7188/E528408-71 [German text]). Further documents on this topic have been filmed on Serials 7188, 9508, 9616, K515, K916 and K917. In addition to the German Credit Agreement of February 1934, a German Public Debtors' Credit Agreement with exchange of letters, which dealt with the debts incurred by German municipalities etc., was signed on Mar. 8, 1934 (7188/E528473-549).

⁵ Presumably a reference to the German Reparations (Recovery) Act of Mar. 24, 1921, which provided for the application of part of the purchase price of imported German goods towards the discharge of Germany's obligations under reparations; see *Public General Acts*, 11 & 12 Geo. V, Ch. 5, pp. 15-19.

then be applied to servicing loans, but our informant left open the question of what actual measures of commercial policy should be adopted in order to increase this disposable surplus.

On the question of interest another personage in the Bank of England said that as far as the British money market was concerned this point could most definitely be discussed but that the intransigence of other financial centres—for instance France—might exert an unfavourable influence on the tendency here to make concessions.

The conversations as recapitulated above represent the outcome of *non-committal* soundings. Should you desire further information, which would inevitably have to be obtained by taking soundings in the Treasury, please instruct me by telegram.⁶

HOESCH

⁶ In telegram No. 172 of June 19 (9252/E654539) Ritter instructed the Embassy in London to obtain information from Government quarters, if necessary through contact with the Treasury, as the Foreign Ministry had heard that Norman was no longer being included in Government consultations. See also document No. 21 and footnotes 1 and 4 thereto.

[EDITORS' NOTE. The following memorandum with its covering letter from Senior Counsellor Wiehl, then in Referat W, to Counsellor of Legation Döhle, at the Embassy in Paris, has been found in the Foreign Ministry archives and is here printed for the light it throws on document No. 13:

M91/M008172

BERLIN, August 8, 1930.

W 3015.

DEAR HERR DÖHLE: In reply to your letter of July 15, 1930—W 1452 [not printed, M91/M003164]—I enclose a memorandum on the current system of employment of State funds for export promotion. The method is rather complicated, but I hope that you will be able to get the information you require from the memorandum.

It is not necessary for me to stress to you that this review, and particularly the figures which it gives, are strictly confidential.

With cordial greetings,

I am etc.,

WIEHL

M91/M008165-71

[Enclosure]

CONFIDENTIAL

BERLIN, August 7, 1930.

W 3015.

MEMORANDUM

I

Since 1926 the Reich Government have annually been authorized,

under the Reich Budget Law, to provide guarantees of up to 175 million RM for the promotion of Germany's foreign trade. In the three financial years 1927, 1928 and 1929 there has thus been built up a total fund of 525 million RM for guarantees. From this certain sums have been allocated for export promotion in various general ways, as follows:

1. *Export credit insurance:*

a) Plan A	10 million RM		
b) Plan B	5	"	"
c) Plan C	20	"	"
d) Reich guarantees for long-term trading with Russia:			
Industry	40 million RM	} 80	" "
Agricultural funds	40 " "		
e) Reich guarantees for Government trading with countries other than Russia	35	"	"

2. *Export credit guarantees:*

Total	56	"	"
	206	"	"

The remainder :

319 " "

has been applied to export promotion in particular cases by insuring certain fairly large transactions with foreign Governments; these have in each case been dealt with individually by the Reich Ministry of Economics in collaboration with the Foreign Ministry and with any other Reich authorities concerned. In so far as the remainder has not been required for this purpose, it has been held in reserve to supplement any funds which might be exhausted.

II

There are two general methods of promoting exports:

(1) Since May 1926 *export credit insurance*, which consists in granting cover either to the exporter or to the bank financing particular export deals of which a precise description must be furnished. The export credit insurance method can be classified into different systems, as follows:

(a) *Plan A (so-called Berlin system)*

Is designed to insure German exporters against loss through inability to enforce their claims against foreign purchasers in all countries other than Russia. In such cases, the exporter has to bear as his own risk a definite percentage of the loss (varying according to the risk involved in each transaction and the general economic position of the country

for which the export is destined—on an average about 33 $\frac{1}{3}$ per cent). The remainder, that is about 66 $\frac{2}{3}$ per cent, is made good to him in case of loss by the Hermes Credit Insurance Bank in Berlin, which functions at present as the only German company dealing in export credit insurance. The arrangement between the Hermes and the Reich is that, in case of an ordinary risk, the sum to be covered is evenly divided between them. In case of so-called disaster risks, that is to say, insolvency in case of war, disturbances, revolution, earthquake, governmental prohibition of payments and moratoriums, the Reich is liable to the Hermes for the total loss.

A detailed explanation of this Plan A will be found in volume 43 of the publications of the Reich Association of German Industry, *Export Credit Insurance with Reich Support*, which was sent in February 1929 to the Paris Embassy. It has so far been possible to settle claims for loss under Plan A out of premiums, so that no calls have been made on the guarantee fund.

(b) *Plan B (so-called Hamburg system)*

Merely serves to assist in financing and leaves the exporter to bear the full risk. In this case the Hermes Bank undertakes to join the exporter in guaranteeing the financing bank to the extent that the Hermes undertakes to repay two-thirds of the capital in the event that, should the foreign debtor fail to pay, the exporter does not satisfy the bank's claim due under the terms of the contract for the loan and is himself in the position of being unable to pay. This system is not very popular and so far has been little used.

(c) *Plan C*

Is only designed for transactions with Russia and is structurally quite different from Plans A and B.

By means of Plan C, exports to Russia with a credit duration of less than nine months can be insured. 40 per cent of any loss is borne by the exporting firm as its own risk and 60 per cent is made good by the Hermes. Since in business with Russia it is not in fact a normal commercial risk but a political risk which is involved, the Reich in this case takes over from the Hermes the major part of the insurance payments to be made (some 90 per cent of the 60 per cent).

(d) *Reich guarantees for long-term trading with Russia*

For long-term business, that is to say business with more than nine months' credit, the Reich can give a direct guarantee against loss without participation by the Hermes. There are two separate funds for this guarantee against loss, i.e., an industrial fund administered by the Reich Ministry of Economics and an agricultural fund administered by the Reich Ministry for Food and Agriculture. In both cases the Reich guarantee generally amounts to 70 per cent of the purchase price

for which credit is given, whilst 30 per cent is borne by the insured as his own risk. In the event of loss, the Reich bears 70 per cent of the 70 per cent insured whilst the German Land Government concerned bears 30 per cent.

In applying the credit guarantees in practice both Reich Ministries make use of the Revisions- und Treuhand-A.G. in Berlin.

(e) *Reich guarantees for Government trading with countries other than Russia*

A direct Reich guarantee—without participation by Hermes—has also been introduced, on the model of the Reich guarantee arranged for trading with Russia, for business with other foreign Governments, municipalities and similar public bodies, involving a credit of at least five million RM or a period of more than two years. These Reich guarantees too are dealt with by the Revisions- und Treuhand-A.G. in Berlin. In fact the method resembles the normal export credit insurance procedure under Plan A, by means of which Government business involving smaller amounts and shorter periods continues to be transacted.

2) Since January 1927 *export credit guarantees*, which consist in aiding firms, by guaranteeing the banks concerned, to contract loans with banks in order in general to enable such firms to do export business. The bank credits are given, through the Reichs-Kredit-Gesellschaft in Berlin and by the Hamburgische Bank von 1923 in Hamburg, on an interest basis and generally against security. They may be applied for by firms whose commercial, financial and industrial circumstances are such as to enable them with the aid of such credits to increase exports. In each case the Reich Finance Ministry guarantees the banks concerned against loss. Further details may be found in *General Principles Governing the Grant to German Exporters of Reich Mark Credits with a Duration of Ten Years*, of which a copy is enclosed [not found].

In addition, there is a special plan for credits with a duration of up to two years. These credits are given in the form of credit bills, in such a way that the borrower gives the Reichs-Kredit-Gesellschaft bills made out to himself, payable ninety days after sight and endorsed, and drawn on an American bank designated by the Reichs-Kredit-Gesellschaft. These drafts are discounted by the Reichs-Kredit-Gesellschaft, which negotiates them with American banks. The borrower is obliged to place the amount of the bills to the credit of the Reichs-Kredit-Gesellschaft with a bank designated by them. The bills can be prolonged periodically for a further ninety days up to a credit period of two years. Otherwise the principles governing dollar credit bills coincide with those governing ten year credits.

The success of these credit guarantees cannot yet be finally assessed

since the credits have not yet expired and since it is as yet not possible to ascertain how far they have promoted exports or may yet do so. As things stand at present some misgivings appear justified; experience has shown that in the main firms of low productivity have shown interest in the credits made possible by Reich guarantees, whilst firms of high productivity are as a rule able to contract loans without applying to the Reich.

III

Apart from the guarantee funds dealt with above, which at present amount to 525 million RM, there is a further fund of half a million RM which is used by the Reich Ministry of Economics to reduce the interest to 3 per cent and increase the credit period to 5 years when granting export credits under section II, 2 above to such firms as are numbered amongst those who have suffered in consequence of liquidation, equalization or violence.]

No. 13

9272/E657667-89

Circular of the Foreign Ministry¹

IMMEDIATE
CONFIDENTIAL

BERLIN, June 18, 1934.
Sent June 19.
e.o. W 4123.

Various Heads of Missions, whilst recently in Berlin, have pointed out that Missions, especially the more distant Missions, are, in consequence of the rapidly changing situation, insufficiently informed about *the present position and objectives of German commercial policy*. The Heads of Missions suggested that from time to time the Missions should be informed about the position and objectives of German commercial policy by means of circular despatches, and I am happy to fall in with this suggestion. As the first and somewhat more comprehensive of these there follows below an account of the more recent developments and the present position in German commercial policy. It is our intention to follow up this despatch with briefer circular despatches as occasion arises.

I. German Commercial Policy from 1925 to 1931.

For the understanding of present German commercial policy a brief survey of previous developments is necessary. After the disappearance, on January 10, 1925, of the restrictions imposed by the

¹ Addressees were all Missions, except the Embassy to the Holy See, and all Consulates General.

Treaty of Versailles,² Germany constructed a system of trade treaties which were based on the most favoured nation principle and which provided for tariff agreements in numerous treaties with economically important States. During this first period of German post war commercial policy, which closes in about 1930, treaties were concluded with:

*Most Favoured Nation
Treaties only:*

Great Britain, Japan,
Ireland, Latvia,
Lithuania, U.S.A.

*Most Favoured Nation Treaties
with Tariff Agreements:*

Belgium, Turkey, Spain, Italy,
Austria, Switzerland, Sweden,
France, Finland, Greece.

Restrictions on imports, in the form of import embargoes or quotas, were only provided for in exceptional cases. This policy was in accordance with the commercial policy pursued during the years 1925-1930 by practically all countries of economic importance.

II. The Influence of the World Crisis on International Commercial Policy.

However, under the influence of the world crisis, there occurred from the year 1931 onwards a change in general commercial policy. The currency question played a decisive part in these developments. The abandonment of the gold standard by Britain, the Scandinavian States and Japan, the deterioration of the value of currencies in most of the South East European and South American countries with the simultaneous introduction of foreign exchange regulations, the necessity that arose for Germany in the summer of 1931 to maintain the stability of the Reichsmark through foreign exchange control, and finally the departure of the United States of America from a gold basis, caused extensive alteration in the structure of world trade. Under the influence of these currency upheavals, accompanied by rising unemployment, as well as the collapse of all raw material prices, nearly all countries embarked in quick succession on substantial changes in their commercial policy. The need to protect home production, which primarily affected those countries with stable currencies, which were threatened with an influx of products from countries which had a weak currency, led more and more to a policy of protection everywhere, even in those countries which had previously pursued a policy of free trade. Of particular importance was the departure of Great Britain from the policy of free trade which she had pursued for nearly a century.

² Article 280 of the Treaty of Versailles provided for the abolition, five years after its signature, of the privileges enjoyed by the Allied and Associated Powers under Articles 264-272 of the Treaty. The most important of these privileges was that the commerce of the Allied and Associated Powers should unconditionally and without compensation be granted most favoured nation treatment by Germany.

III. The Readjustment of German Commercial Policy.

These changes could not fail to affect the principles on which German trade policy had been based.

(1) Abolition and Revision of the existing Commercial Treaties:

In consequence of these developments, many commercial treaties which Germany had concluded during the years 1925–1930 were either entirely set aside or replaced by new agreements made on the basis of the changed circumstances. The first of the important German post war commercial treaties to be denounced, in December 1931, was the German-Swiss Commercial Treaty of July 14, 1926.³ It is typical of the difficulties encountered in concluding new agreements in the crisis situation, that not until December 1933 did it prove possible to replace the provisional arrangements agreed meantime with Switzerland by a more comprehensive treaty.⁴ The Commercial Treaty with Sweden⁵ which was denounced in July 1932, has still not been replaced. At present therefore there exists between Germany and Sweden only a *de facto* most favoured nation treatment. Even more significant is the change that has set in in German-French treaty relations. As early as the end of 1932 the Commercial Treaty, which had been concluded in August 1927⁶ after years of negotiation, was substantially altered in one of its most significant provisions, namely the agreement on customs duties. The intensification of the French quota policy which was finally to compel the German Government after fruitless negotiations in the autumn of 1933 to impose counter quotas, then led last January to the denunciation of this important treaty;⁷ nor has it so far proved possible to reach agreement upon a new treaty. In place of the treaties rendered obsolete by events a number of new treaties have come into existence which will be briefly described in Section VII of this despatch.

(2) New Methods in Commercial Policy:

Even where the treaties concluded by Germany during the above-mentioned period continue in force, their fundamental principles have been radically altered by the world economic situation. This applies

³ For the text see League of Nations: *Treaty Series*, vol. LIX, pp. 87–229; for its denunciation see *Reichsgesetzblatt*, 1931, Pt. II, p. 740.

⁴ A German-Swiss Agreement with Protocols and exchanges of Notes (M72/M002407–79) was signed in Berne on Dec. 20, 1933; for the published portions see *Reichsgesetzblatt*, 1933, Pt. II, pp. 1076–1085. Other agreements on German-Swiss commercial relations have also been filmed on Serial M 72.

⁵ For the German-Swedish Treaty of Commerce and Navigation, signed in Berlin on May 14, 1926, see League of Nations: *Treaty Series*, vol. LI, pp. 99–189; for its denunciation see *Reichsgesetzblatt*, 1932, Pt. II, p. 238.

⁶ For the Franco-German Commercial Agreement of Aug. 17, 1927, see document No. 9, footnote 2. For the alterations contained in the supplementary agreement of Dec. 28, 1932, see *Reichsgesetzblatt*, 1933, Pt. II, pp. 8–14.

⁷ Documents of the Franco-German negotiations have been filmed on Serials 5631, 5650, 7787, 7809 and 8214. For the denunciation of the Franco-German Commercial Agreement see document No. 9, footnote 2.

above all to the most favoured nation principle and the question of import restrictions. The most favoured nation principle which, under normal economic conditions and with the possibility of free competition in all markets, had proved in general to be the best method of commercial policy, could not be maintained in its original form under the pressure of the crisis situation. The repercussions arising from the extension of the commercial concessions granted to one country to the imports of all other most favoured nations could not be tolerated at a time of general shrinkage in world trade without grave detriment to home production. Therefore, and *this not only in Germany but in practically all States*, efforts have been made to exclude or at least minimize these undesirable effects as far as possible. The following measures have best served this purpose in German commercial policy during the past year: Monopoly management of a number of the most important products, the introduction of embargoes on imports whilst simultaneously setting quotas, and the increased application of tariff quotas. Import and tariff quotas have sometimes been introduced unilaterally and sometimes by means of treaties. In so far as most favoured nation treatment, whether under the provisions of a treaty or *de facto*, still exists today, such treatment in effect only applies to tariff rates, which have, however, nowadays lost a great deal of their significance for trade as compared with restrictions on imports and foreign exchange. However, most favoured nation treatment no longer applies to the quota system, which has a far stronger influence on the exchange of goods, although efforts are still widely being made to preserve the outward appearance of most favoured nation treatment.

(a) *Monopoly Management*

Since the spring of 1933, German agricultural policy has increasingly gone over to subjecting the most important agricultural products to monopolistic management in order to regulate the home market. At present this system includes the following products:

- Milk Products (Butter and Cheese);
- Eggs;
- Grain, Maize, Oil Cake;
- Livestock and Livestock Products;
- Animal Fats (Bacon, Lard, Tallow);
- Oil Seeds.

Monopolistic management is conducted in the following way: The products so managed, irrespective of whether they originate at home or abroad, may only be put on the market after a so-called acceptance certificate [*Übernahmeschein*] has been issued by the competent Reich Office. These regulations create neither monopoly of production by the Reich nor a State trading monopoly. Nevertheless they enable

the Reich to exert extensive influence on internal German consumption both in respect of home production and in respect of imports.

According to the still prevailing doctrine of trade policy, most favoured nation treatment does not apply to such products as are subject to a State monopoly or to quasi-monopolistic organization. The German Government have accordingly taken the view that the products subject to monopoly management, in so far as they originate abroad, may be accepted by the monopoly at its own discretion from the various countries of origin, without entitling most favoured nation countries to demand the acceptance of an equal quantity of their products. So far this view has not been seriously disputed by any country. The elimination of the most favoured nation principle in dealing with the imports of these products has given German commercial policy considerably greater elasticity than it previously possessed under the strict observance of the most favoured nation principle that had previously been necessary.

Whilst it is therefore not possible to recognize a *claim* by most favoured nations that, in respect of products subject to monopoly management, the previous share of such countries in total imports should be taken into consideration, the Reich Government have nevertheless, in allocating the shares in the monopoly products to the various supplier countries, taken existing commercial relations very fully into consideration. They have not, however, adhered rigidly to the previous figures for shares [by country of origin] for these imports, but have, instead, applied the principle of allocation in proportion to previous imports of various articles only to a certain percentage of the total of permitted imports; the remainder [of this total] has been held back to be specially allocated as a sort of bargaining counter in commercial policy. A textbook example of this method is this year's regulation of butter imports. On the assumption that there would be a probable total import requirement of 55,000 tons, only 45,000 tons were in the first instance allocated to the supplier countries in accordance with their previous share of [German] imports. The remaining 10,000 tons were so used that they were allocated to the various supplier countries only against a *quid pro quo* in commercial policy. Where the amounts of butter imports thus allocated to each country have not simultaneously been contractually laid down, it is not a question of a right granted to the country concerned, but only of a provisional concession which can be revoked if necessary, should for example that country indulge in commercial trickery over German exports. The same applies to the other products subject to monopoly management. In pursuance of this policy, by introducing a system of special classification markings on these products, for instance through grading eggs by quality, there have been created the most varied possibilities of regulating imports according to economic requirements,

and in such a way as to make differential treatment of the various supplier countries possible without formally violating most favoured nation rights. This system, which, in certain treaties, has also been combined with the concession of tariff quotas, has during the last eighteen months provided German commercial policy with new possibilities in important spheres.

(b) *Import Embargoes and Import Quotas*

The introduction of monopoly management has been accompanied by an increase of import embargoes and import quotas. In so far as this conflicted with the provisions of certain commercial treaties, the resultant legal obstacles have been overcome by means of special agreements with the countries concerned, and in particular by obtaining the consent of such countries to the new arrangements by giving them the greatest possible consideration in respect of their exports to Germany. In laying down import quotas, irrespective of whether this is done unilaterally (for instance cellulose) or contractually (for instance horses, artificial silk), the most favoured nation principle applies, unless, as regards import restrictions, this has been expressly excluded by treaty, as for instance was done with France in a special agreement of September 30, 1933.⁸ Nevertheless here too the way in which quotas are imposed gives ample play for an elastic commercial policy. The so-called equal quotas which give all most favoured countries the right to an equal share in the total amount imported—a system that, according to the Geneva conception, is only in perfect conformity with most favoured nation treatment provided that the quota basis is calculated on the export requirements of the country occupying first place among suppliers—have been increasingly replaced by proportional import quotas. Under this system there is laid down a certain percentage (x) of the imports received (from *all* countries under *unilateral* or a *single* country under *treaty* arrangement) in a given year (y). The proportion of supplies allotted to the various countries are then (x) per cent of their supplies to Germany in the year (y). The form of quota chosen in individual cases depends on circumstances at the time. Here too the overriding objective is to find ways of applying the quotas which, whilst protecting as far as possible the export requirements of co-signatories, lessen the effects of most favoured nation treatment on the imports from the remaining countries.

(c) *Tariff Quotas*

What has been said of import quotas applies equally to tariff quotas. The difference between tariff quotas and import quotas is as follows: Import quotas simply limit the import of goods to a prescribed amount.

⁸ The exchange of letters between Bülow and Arnal of Sept. 30, 1933, has been filmed as 7787/E557645-48 and 7787/E557663-64.

The result is that such goods cannot be imported at all above the import quota limit. But by contrast tariff quotas merely limit the quantity which may be imported at a reduced rate of customs duty. Otherwise imports are unrestricted but are subject to autonomous tariffs. Tariff quotas too can be fixed either unilaterally or by treaty. We may cite as an example of a quota imposed autonomously the tariff recently laid down for electric light bulbs, which is Tariff No. 911. This measure was required in order to counter Japanese dumping. For this purpose the previous autonomously imposed tariff of 80 RM was raised to 800 RM, whilst at the same time a quota at the reduced rate of 80 RM was laid down autonomously, [this quota] being based on imports during a previous period in which Japan did not export any electric light bulbs to Germany. Thus Japanese exports of electric light bulbs to Germany were, in effect, excluded, whilst those countries previously exporting to Germany, such as the Netherlands, can continue to supply the bulbs to the amount of their previous exports to Germany at the previous duty of 80 RM. Considerably more numerous are the contractually agreed tariff quotas which form an important part of almost all new commercial treaties. Whereas, in the case of import quotas, proportional allocations predominate, German commercial policy gives preference to the giving of equal shares to the various countries by means of tariff quotas.

IV. The Influence of the Foreign Exchange Situation on Commercial Policy.

As our officials serving abroad are aware from former circular despatches,⁹ the Reich Government have consistently refused to use exchange control, which had to be introduced because of the banking crisis in the summer of 1931, for purposes of commercial policy. By the system of so-called general foreign exchange permits, which allowed individual firms to pay for imports in a definite proportion to their previous business, there has, in fact, so far been no discrimination among imports either by countries of origin or by goods. (For the most recent developments over raw materials see below, Section VI.) Apart from this, through the conclusion of clearing agreements with most European countries (Italy, Sweden, Switzerland, the Netherlands, Belgium, France, Spain, Portugal, Norway, Finland),¹⁰ the restrictive

⁹ This is apparently a reference to numerous circulars describing the exchange controls, for example Circulars W 6107 of Jan. 9, 1932 (M66/M001827-32); W 8152 of Dec. 1, 1932 (M65/M001792-800); W 2336 of Apr. 8, 1933 (9037/632717-20, 9494/E668282-90); and W 8408 of Dec. 8, 1933 (M65/M001806-25).

¹⁰ For the German-Swedish and German-Netherlands Agreements, see documents No. 175, footnote 4, and No. 108, footnote 5, respectively. For the German-Swiss Agreement see footnote 4 above. The German-Italian Agreement of Oct. 17, 1932 (M77/002928-34); the German-Belgian Agreement of Jan. 2, 1933 (8453/E595152-57); the German-French Agreement and Confidential Protocol of Dec. 24, 1932 (9964/E696656-64); the German-Spanish Agreement and confidential exchange of letters of

effects of exchange control on merchandise trade have also been extensively eliminated. The decline in the foreign exchange reserves of the Reichsbank during the course of the last months has led to increasingly severe restrictions on the amount of foreign exchange allocated to German importing firms. At present the German firms can use their general permits only to the extent of 10 per cent of their imports during 1931. This measure, adopted through force of circumstances, is naturally bound to affect imports and therefore also German export opportunities. Consequently our commercial policy is being increasingly affected by the pressure for barter agreements.

V. The Concept of Barter in German Commercial Policy.

German import requirements, particularly in respect of raw materials and consumer goods, are, in spite of the decline in purchasing power, still an important factor in a highly industrialized country with a population of about 65 million. This factor will in future be made use of even more than was possible under the unrestricted application of the most favoured nation treatment, for the purpose of making producers and suppliers of these raw materials and consumer goods aware of the necessity of accepting increased imports of German industrial products in return. It is true that a country whose industries are as dependent on exports as are Germany's and who, moreover, is obliged to depend on her export surplus to cover her financial obligations, cannot welcome the principle of strict reciprocity, the less so since the application of this principle cannot but assist the efforts of countries which have an adverse balance with Germany to reduce Germany's export surplus. Moreover, in view of the close interdependence of the many national economies, a return to the primitive forms of barter can only be regarded as an emergency measure. Apart from this, in the case of major barter agreements, the question must always be studied as to whether these agreements should not be declined, if only for the reason that the manufactured goods to be supplied by Germany (for instance textiles) may have cost more in foreign exchange through expenditure on raw materials (cotton) than the foreign exchange actually to be saved by the foreign deliveries received under the barter deal. This will regularly be the case whenever the German export commodity contains foreign raw materials and the foreign counter-delivery consists in the supply of such products as Germany can manufacture for herself without using imported raw materials. But, in spite of these limits set to the possibilities of barter, the purchase of foreign materials

Feb. 18, 1933 (M80/M002955-63); the German-Portuguese Agreement of Oct. 6, 1933 (M81/M002965-70); the German-Norwegian Agreement of Jan. 9, 1933 (M78/M002938-40); and the German-Finnish Agreement of Jan. 21, 1933 (M79/M002951-53) are not printed.

and consumer goods must nevertheless, in view of the foreign exchange situation, be increasingly linked with the export of German products.

There are various forms of applying such barter. Apart from individual barter (for instance Brazil: coffee for coal, coffee for ship-building; Ireland: butter and egg quotas for three sugar factories; Bulgaria: tobacco for railway materials), there are comprehensive arrangements as instanced in the bilateral clearing or Central Bank agreements (Hungary, Yugoslavia and Greece). In the latter form of agreements trade as a whole takes to some extent the form of a barter transaction.

VI. Possibilities of Reorientating German Imports.

Closely bound up with the objectives of the barter system is the question of how far it is possible to transfer German imports of raw materials and consumer goods to the countries which take German manufactures to a greater degree than do those countries which have previously been supplying us. Such a planned transfer has so far only been applicable to those products which are subject in some form or another to State control. As the decline in foreign exchange reserves has led to the most important raw materials being excepted from the general foreign exchange regulations and to special arrangements being made to provide foreign exchange allocations for imports of raw materials, the conditions for transferring German imports of these raw materials exist in theory. In fact, however, there are certain limits to such a reorientation of imports. The intervention of the State in previously unrestricted trade can easily prove economically harmful. It is not only that this might disrupt business connexions of long standing; it would also involve the danger that the financial opportunities which are available, particularly in the sphere of international trade in raw materials, namely in the form of acceptance credits, might be affected by the forcible transfer of German purchases of raw materials from one country to another. Any possible measures in this sphere must, therefore, be most carefully considered.

In other spheres, where State regulation by means of foreign exchange control does not already exist, such may be introduced by laying down quotas for imports. An example of this is the application of the quota system to coffee imports, which may be expected in the near future. This measure is not planned by reason of currency policy but is designed in the first place to serve commercial purposes. Through this State intervention in respect of imports, German coffee requirements are to be met preferably from coffee-growing countries which are themselves prepared to take German goods in exchange. Conversely, imports of coffee from countries which buy practically nothing from Germany are to be transferred to other countries through an appropriate manipulation of import permits. The allocation of import quotas for coffee

in the interests of commercial policy represents the first step along the road of making the considerable German import requirements of certain goods serve as a *direct* means of extending German export possibilities. It will depend on the success of this measure whether further colonial produce which Germany imports in large quantities (tea, tobacco, cocoa) should be subjected to a similar system in order to obtain an increase of German exports to the countries which produce these goods. Within the above limits it is a general aim of German commercial policy to transfer the purchase of raw materials and consumer goods from Africa and from the British overseas territories (Ottawa policy)¹¹ to countries which offer greater future possibilities to German exports, as for instance South America and the Dutch Indies.

VII. New Trade Treaties concluded by Germany in the Course of the Past Year.

The principles of German commercial policy as expounded above have been set down in various forms in fresh treaties concluded by the Reich Government during the course of the last eighteen months. It would lead us too far to discuss these treaties in detail here. What differentiates them from previous commercial treaties is the fact that the substance of each treaty has been laid down in confidential or secret agreements. That part of practically all the new treaties which is designed for publication is limited to general declarations and promises which confine themselves to phrases such as "benevolent treatment", "appropriate consideration of the interests of the other party", and so on. The practical application of these formulae, which are often intentionally kept flexible, is embodied in secret agreements. This applies for instance to the German-Netherlands Treaty of December 15, 1933.¹² In this treaty the concessions granted by the Netherlands Government, as published, are contained in the brief Article B which reads "In so far as the Netherlands Government restrict the import of goods into the Netherlands, they will make appropriate allowances for German exporting interests." The figures of the various quotas, which in fact are the actual subject of this general promise, have, however, been laid down secretly. The same applies to the firm promises made by the German negotiators regarding a specific Dutch share in imports [into Germany] of goods subject to monopoly treatment (butter, cheese, eggs). In the treaty as published

¹¹ The reference is to the policy of Imperial Preference as embodied in the commercial agreements between members of the British Empire signed at Ottawa on Aug. 20, 1932, at the conclusion of the Imperial Economic Conference. See *B.F.S.P.*, vol. 135, *passim*.

¹² For the published portion of the German-Netherlands Commercial Treaty see *Reichsgesetzblatt*, 1933, Pt. II, pp. 1056-1070; the unpublished protocols and the secret and confidential exchanges of letters of the same date have been filmed as M67/M001848-78 and M001889-915.

only those tariffs are fixed which apply to these products "when acceptance certificates [*Übernahmescheine*] have been issued [for them] by an office to be designated by the Reich Ministry for Food and Agriculture". The quantity of goods to be submitted by the Reich monopoly authority, the questions of the acceptance price and the treatment of the so-called differential amounts and other modalities are settled in secret agreements. A similar procedure has been observed in the German-Danish Treaty of March 1, 1934.¹³

Particularly noteworthy in this connexion are two further treaties of a special kind which have been concluded in the course of this year and which have political significance above their actual commercial content, namely the treaties with Hungary¹⁴ and Yugoslavia.¹⁵ These treaties are designed to create in Hungary and in Yugoslavia two points of support for German policy in the Danubian region, in order above all to counteract French and Italian policy directed against German policy in the Danubian region. In view of the special purposes which these two treaties serve, a system of secret financial privileges has been embodied therein whereby both countries, without being granted open preferences, are in fact by means of subventions obtaining preferential treatment of their exports to Germany in comparison with their competitors. The Reich Government have in this case consciously made certain financial sacrifices in the interests of German foreign policy in South East Europe. Nevertheless it was clearly established when these decisions were taken that such procedure was only justified by the special reasons in favour of the conclusions of both treaties and that to apply these methods to commercial policy in general could not be considered, if only on account of the heavy calls on Reich finance which would result therefrom.

By order:
ULRICH

¹³ For the published portions of the German-Danish Agreement regarding the Reciprocal Exchange of Goods, signed at Copenhagen on Mar. 1, 1934, see League of Nations: *Treaty Series*, vol. CL, pp. 31-41. An unpublished protocol and secret exchanges of letters of the same date have been filmed as M68/M001930-65.

¹⁴ See vol. II of this Series, communication of Mar. 13, 1934, to the State Secretary in the Reich Chancellery.

¹⁵ See vol. II of this Series, despatch of Mar. 12, 1934, to the Embassy in Italy.

No. 14

3087/621842-44

Memorandum by the State Secretary

BERLIN, June 18, 1934.

The American Ambassador called on me today and read out to me two items from a lengthy telegram of protest regarding the transfer

situation which he had received from the American Secretary of State.¹

Firstly, he had been instructed to protest to the Reich Government because Germany had summarily and of her own accord taken unilateral action on her debts² which seriously injured the interests of American creditors and caused them to sustain fresh losses. He was, moreover, instructed to state that it would be a matter of serious regret to America if agreements were concluded with creditor countries (Holland, Switzerland) which did not benefit America as well. The Ambassador immediately qualified his statements by saying that agitation in America about the transfer moratorium, which apparently had come as a surprise, was very intense at the moment and this had probably caused his Government to lodge this protest. Secretary of State Hull also intended to make a statement to the American press today on the lines of this declaration.

I told the Ambassador I could not let the charge pass that the Reich Government had taken unilateral action on the debt question. We had conducted long and exhaustive negotiations with the representatives of the creditors here and they, including the American representatives, had acknowledged that a six months' moratorium was inevitable.³ If, in this connexion, they had made no mention of the Dawes and Young loans (of which however the Ambassador had not spoken) it had been for the sole reason that they had not been competent to deal with these loans; they had not, however, demanded any exceptional treatment in favour of these loans. As far as special arrangements with other creditor countries were concerned, I could tell him for the present that the rest of the interested Governments would be notified of these before their completion. Other than this, however, I could not agree that the past arrangements had been to the disadvantage of the American creditors; indeed, the opposite was the case. It was merely due to foreign exchange which we had earned through our agreements with Holland and Switzerland that we had been in a position so far to satisfy the American creditors in their own currency.

I then even went further and told the Ambassador that if he had not come along of his own accord I would have asked him to call in order, for my part, to lodge a complaint about the American Government to whom we had already suggested negotiations in April,⁴ a suggestion which despite repeated urging and reminders had still not been accepted. As recently as the past few days Ambassador Luther had

¹ See *Foreign Relations of the United States, 1934* (Washington, Government Printing Office, 1951), vol. II, pp. 364-365.

² See document No. 9, footnote 1.

³ See Editors' Note, p. 16.

⁴ See *Foreign Relations of the United States, 1934*, vol. II, pp. 420-421.

in vain pressed Secretary of State Hull again to state his views.⁵ We had made the suggestion at the time not only because the commercial treaty⁶ was expiring but because, and we had made no secret of this, we had seen the present difficulties coming. It was therefore America's own fault if she found herself in an awkward position in the face of present-day developments. A great deal of this could have been avoided.

The Ambassador without hesitation accepted as correct my argument, which he already knew, that the special agreements with Holland and Switzerland had been of benefit to the American creditors. Moreover, he regretted, as I did, that his Government had so far not been able to make up their minds about entering into German-American negotiations. He gave it as his personal opinion that this was due to the fact that it was feared in America that interested industrial groups there might react strongly, and for this reason America did not wish to enter into negotiations, for which authority had now been given, with a large country but would first like to conclude agreements with smaller countries as experiments so as to test the nature and extent of the reaction in the country. He actually spoke of the need for a trial case.⁷ For his part he then complained, as he had already done to the Foreign Minister,⁸ about the disadvantages which the United States had suffered in respect of fat imports. I explained to him that America did not suffer any disadvantage through German measures but merely through the fact that by virtue of clearing agreements we could import fats from other countries without payments of foreign exchange. If America had entered into negotiations with us promptly, American fats could probably have been imported just the same as before. With regard to this point, the American Ambassador was not so receptive as in the case of the other points. He wished to know whether we feared sanctions or something similar from the British and French, which I denied. It was new to him that negotiations with France on a commercial treaty were imminent (!) For the rest he showed great understanding for our difficulties and told me it was clear from a telegram which he had received that his Government regarded Germany's demand for a reduction of the interest rate as absolutely reasonable.

The Ambassador then asked me about the result of the Venice meeting⁹ and the Eastern Pact.¹⁰ He mentioned in this connexion

⁵ See vol. II of this Series, despatch III A 1641 of May 22, 1934, to Washington, and *Foreign Relations of the United States, 1934*, vol. II, pp. 426-428.

⁶ The Treaty of Friendship, Commerce and Consular Rights between Germany and the United States, signed on Dec. 8, 1923, and ratified on Oct. 14, 1925 (see *Foreign Relations of the United States, 1923* (Washington, 1938), vol. II, pp. 29-45). The treaty was due to expire in October 1935.

⁷ The words "trial case" are in English in the original.

⁸ See *Foreign Relations of the United States, 1934*, vol. II, pp. 425-426.

⁹ See documents Nos. 5, 6, 7 and 26.

¹⁰ See document No. 1.

that a rumour had been spread in America, and this by representatives of the very firms themselves, that American aircraft firms had recently supplied us with aircraft in considerable numbers¹¹; this had presumably exacerbated the attitude of the public to the transfer question.

I told him I knew nothing whatever of this.

BÜLOW

¹¹ In a memorandum of Sept. 21, 1934 (8207/E583127-28) Frohwein recorded confidential information from the Reich Air Ministry about purchases of aircraft, aircraft engines and spare parts from Britain and the USA. According to this, a total of 10 civil aircraft and about 260 aircraft engines was involved.

No. 15

L432/L123829-34

Memorandum by the Director of Department VI

Drafting Officer:

BERLIN, June 18, 1934.

Senior Counsellor Roediger.

VI A 2310.

Conditions in the Evangelical Church in the Reich have developed during the last few months in a manner likely to jeopardize seriously the Reich's political and economic relations abroad.

If the attitude of circles abroad with an interest in the Church was at first one of reserve, it has lately become more and more critical; this criticism has found expression partly in official declarations by individual Church leaders and partly in official resolutions passed by Church bodies. Disapproval is so universal that one can today speak of a consolidated spiritual front of World Protestantism against the Administration of the Reich Church. This front also embraces circles which are sympathetic towards the political revolution in the Reich and which understand its national significance for the German people. This fact, which is detrimental to our foreign relations, manifests itself, apart from Scandinavia, primarily in Anglo-Saxon countries that are deeply rooted in the Church; especially in the United States of America where the large gap in the anti-German front which had existed hitherto has now been closed by the recent attitude of Protestantism.

The disapproving attitude of World Protestantism towards the Reich Church is based on the argument that the views and actions of the Church Administration are regarded as contrary to the Faith and therefore as imperilling the foundations of Christianity. Furthermore, questions of principle (for example that of freedom of the Church) and the effect of administrative measures on the Evangelical Church are considered to be closely bound up with questions of personnel. The

unrestricted application by the Reich Bishop¹ of the leadership principle [*Führerprinzip*] to Church administration without the counterpoise provided by the cooperation of the Congregation is regarded as a violation of the Christian Faith.

In a lengthy conversation, which he had himself requested, on April 30, the Bishop of Chichester,² Chairman of the Universal Christian Council for Life and Work, pointed out to Ambassador von Hoesch³ that the autocratic rule of the Head of the German Church constituted a serious impediment to relations between the Evangelical Churches abroad and the Reich Church.

As a consequence of these developments the Head of the Evangelical Church in the Reich seems also to have lost the confidence of Church leaders abroad. In his report of April 23,⁴ Prinz zu Wied, the German Minister in Stockholm, stated that increasing revulsion against the Reich Bishop was becoming apparent in Swedish Church circles on account of his conduct, a revulsion which had even found official expression in a newspaper article by Anders Nygren, the Swedish Professor of Theology at Lund.⁵ The Bishop of Chichester informed Herr von Hoesch in the aforementioned discussion that the Archbishop of Canterbury had dropped the plan he had had a short time ago of convening a small conference of Church leaders, because the Archbishop of Upsala⁶ and the Head of the Evangelical Church in France had voiced their opposition to the Reich Bishop's taking part.

On the other hand, the Evangelical Churches abroad have paid particular attention to the development and consolidation of the so-called Confessional Synod,⁷ and they have expressed their sympathy more or less openly. Certainly the Church leaders abroad have always declared that they did not wish their attitude to convey the impression of interference in the internal affairs of the Church in the Reich, whose danger is, by the way, constantly being pointed out in emphatic terms by German sources; nevertheless, they were compelled to state their views, since the effects of what was happening in the Church within the Reich, the country where Protestantism was born, on the funda-

¹ Dr. Ludwig Müller. The post of Reich Bishop had been established by the Law concerning the Constitution of the German Evangelical Church of July 14, 1933, for the text of which see *Reichsgesetzblatt*, 1933, Part I, p. 471. Dr. Müller had been elected Reich Bishop on Sept. 27, 1933, by the National Synod held at Wittenberg, following the church elections held on July 23, in which the German Christians (exponents of the leadership principle in Church affairs) had obtained a majority.

² Dr. G. K. A. Bell.

³ This conversation was reported in despatch A 1434 of May 1 (L432/L123764-69).

⁴ Not printed (L432/L123726-27). Both this and the document cited in footnote 3 above are marked by Lammers: "The Chancellor is informed".

⁵ Printed in *Dagens Nyheter* of May 17, 1934.

⁶ Dr. E. Eidem, Primate of Sweden.

⁷ On Apr. 22, 1934, certain German bishops and laymen who opposed Dr. Müller's policy and called themselves "Confessionals" held a conference at Ulm, and issued a declaration signed by Bishop Meiser of Bavaria, Bishop Wurm of Stuttgart, President Koch of Oeynhausen, Dr. Niemöller of Berlin, Dr. Flor, the jurist, of Leipzig and Dr. Asmussen of Altona. A Confessional Synod of the whole German Evangelical Church was held at Barmen on May 29-31.

mentals of Christian faith and life were a matter for Protestants the world over.

In a resolution passed by both Houses of the Convocation of Canterbury on June 17,⁸ attention was drawn to the significance of the misgivings expressed by the Confessional Synod at Barmen. According to a communication⁹ recently sent to the Government confidentially by the Reich Church, the Federal Council of Christian Churches in the United States of America is believed to intend recognizing the Confessional Synod as the sole legal Evangelical Church in the Reich. The Foreign Ministry has asked our Ambassador in Washington¹⁰ to use his personal influence with authoritative Church leaders in America in order to induce them to refrain from such action, so as not to imperil the unity of the Evangelical Church from without. We still await a report on the results of this step.¹¹ It does indeed transpire from a statement made by the Archbishop of Canterbury at the aforementioned session of both Houses of the Convocation that the Church of England has no desire to break with the Evangelical Church in the Reich;¹² but, according to something said in confidence by the Bishop of Chichester to Herr von Hoesch,³ it is possible that the Universal Christian Council for Life and Work might feel compelled to break off relations with the German Church. Should this be done, as seems quite possible judging by the developments experienced so far, the consequences would be that the Reich would be more isolated and our position in foreign affairs still further complicated. This complication should be taken all the more seriously since Protestant Churches abroad have in the past shown themselves to be valuable supporters of Germany, especially over questions of war debts and disarmament. Any aggravation of the differences within the Evangelical Church in the Reich or even a formal breach would, furthermore, result in splitting the German nation, hitherto happily united, and this would provide foreign countries with an excuse for playing off both sides against each other, thereby causing difficulties for us in carrying out our foreign policy.

The Administration of the Reich Church, which is kept abreast of reactions to Church questions through direct contacts abroad as well as through the Foreign Ministry, has endeavoured on various occasions to bring about a settlement of differences by means of discussions between its representatives and Church leaders abroad. Even though a certain amount of understanding was apparent on some questions,

⁸ Such a resolution was passed on June 7, 1934; see *The Times* of June 8.

⁹ Not found.

¹⁰ By telegram No. 165 of June 11, 1934 (L432/L123799-800).

¹¹ In telegram No. 243 of June 18 (L432/L123842) Luther reported that he had ensured that influence would continue to be exerted on important personalities after he himself had gone on leave.

¹² In his speech on June 7, which was reported by Bismarck in despatch A 1955 of June 9 (L432/L123818-22).

as, for example, on the application of the Aryan clauses,¹³ nevertheless it has so far not been possible to overcome differences over the main issues.

The dangers threatening cannot be dispelled by further conversations between German and foreign Church leaders but only by resolute action within the Reich itself.

For reasons of foreign policy it is urgently necessary that the Reich Government should pay more attention to developments in the Evangelical Church, so as to prevent, through appropriate action, a further deterioration of existing differences.

Respectfully submitted herewith to the Foreign Minister through the State Secretary.¹⁴

STIEVE¹⁵

¹³ So-called "Aryan clauses" had been included in various laws and decrees beginning with the Law for the Reorganization of the Civil Service [*Gesetz zur Wiederherstellung des Berufsbeamtentums*] of Apr. 7, 1933; for the text see *Reichsgesetzblatt*, 1933, Pt. I, pp. 175-177, which had the effect of excluding "non-Aryans" from Government or municipal employment, and, to an increasing extent, from the professions and from the direction of industry. For details see Sir J. Hope Simpson, *The Refugee Problem, Report of a Survey* (London, 1939), pp. 128-133.

¹⁴ On the same day Neurath sent a copy of the document here printed to Reich Minister Frick personally; a copy of this communication was sent to Lammers (L434/L124636-41) with the request that the Führer be informed. The latter document is marked: "The Reich Chancellor is informed. L[ammers], June 22."

¹⁵ In telegram No. 169 of June 21 (L432/L123843) Hoesch reported that at a recent social function the Archbishop of Canterbury had suggested that he would welcome an early discussion on the present ecclesiastical situation in Germany. Hoesch requested instructions which were sent him under despatch VI A 2626 of July 6 (L432/L123870-89).

No. 16

9149/E643612-15

Ministerialdirektor Köpke to Minister Koch

BERLIN, June 18, 1934.

Sent June 21.

e.o. II Ts. 1183.

YOUR EXCELLENCY: Standartenführer Kersken, who is the principal person in charge of *volksdeutsch* questions in the Office of the Führer's Deputy, came to see me today on behalf of Reich Minister Hess in order to discuss with us the principle to be followed in dealing with the problem of the German national community abroad, since, as the Führer's Deputy has regretfully been compelled to note, this matter has of late not always and not everywhere been handled with the requisite uniformity by the competent authorities. Herr Kersken pointed out in particular that, when dealing with the Sudeten German question, the Foreign Ministry and also the Legation in Prague apparently proceeded from assumptions which corresponded neither to the actual

situation nor to the purposes of the Führer's Deputy. Herr Kersken asserted that the Legation was still working chiefly with the former leaders of the Sudeten German National Socialist Party,¹ who had no influence whatever and had been rejected by the German NSDAP, and the Legation was therefore, also where personnel were concerned, acting contrary to the policy pursued by the Führer's Deputy and, in accordance with his instructions, by the V.D.A.²

Whether or not he is justified in so doing, Herr Kersken holds Herr von Bibra³ primarily responsible for this; the latter also appears to find himself in personal disagreement with him [Kersken]. At any rate, Herr Kersken had heard that in a conversation over Sudeten German questions, Herr von Bibra had said in a derogatory way to Herr Neuwirth⁴ that as far as he was concerned there was no "Oberführer Kersken"; he only knew of a Standartenführer of that name.⁵ Herr Kersken, who was very much upset about this, made his continuing to work with Herr von Bibra conditional upon this unpleasant incident being cleared up first.

During the conversation with Herr Kersken, I had called in for consultation Minister Stieve, who is more or less the primarily competent authority,⁶ as well as our two technical advisers, Herr Geheimrat Roediger (Department VI) and Counsellor of Legation Hüffer (Department II). We all agreed that it seems extremely desirable to discuss here quietly and thoroughly with Herr Kersken the whole situation, and how in future to handle the question of National Socialist Sudeten German policy. We should, of course, much prefer it if you would be good enough to come here and attend the meeting yourself. All the more so as I cannot see how the Bibra-Kersken incident can be settled beforehand. I have purposely avoided taking sides, as I lack the necessary knowledge both as to the facts of the matter and also as to the personal aspect. At all events we have provisionally arranged with Herr Kersken, who has to go away this week, that we will meet him for this discussion in the Foreign Ministry on Thursday, June 28, at 11 a.m. I would be very grateful to Your Excellency if you would let me know briefly, possibly by telephone, whether you will be coming here yourself, or whether you will be sending Bibra.⁷

¹ The Sudeten German National Socialist Workers' Party had been disbanded in 1933. See vol. I of this Series, documents Nos. 483 and 488.

² See memorandum by Hüffer of Mar. 28, 1934, in vol. II of this Series.

³ Sigismund Freiherr von Bibra, Secretary at the German Legation in Prague.

⁴ Dr. Hans Neuwirth, Sudeten German lawyer, who had been engaged in Pan-German and National Socialist political activities in Austria and Czechoslovakia since the end of the First World War.

⁵ Standartenführer was an SA and SS rank roughly equivalent to that of a colonel; Oberführer was the rank senior to Standartenführer, and had no equivalent in the army.

⁶ Stieve was Director of the Cultural Policy Department of the Foreign Ministry.

⁷ A memorandum by Hüffer dated June 28, 1934 (6144/E459633-34), records that a meeting took place in the Foreign Ministry, presided over by Köpke and attended by Stieve, Roediger, Renthe-Fink, Heinburg, Hüffer, Stein (Counsellor at the German

With kindest remembrances, also to Bibra, and my warmest regards to you all at home,

I am, Your Excellency,

Yours etc.,

KÖPKE

Legation in Prague), Bibra and Kersken, at which the following conclusions were reached:

"1. That, in accordance with the directive issued on Oct. 27, 1933, by the Führer's Deputy [see vol. II of this Series] the Sudeten German national group comes exclusively under the care and supervision of the Führer's Deputy. Within the framework of general Reich policy, the Foreign Ministry, the Legation in Prague and the Führer's Deputy will, in respect of Sudeten German questions, keep in constant and close touch with one another, keeping each other currently informed of relevant questions.

"2. It will not be considered permissible to call in persons or organizations not qualifying under paragraph 1."

No. 17

6111/E452880-84

*The Inspector of the National Socialist Party in Austria, Habicht,
to Counsellor of Legation Hüffer*

MUNICH, June 18, 1934.

Received June 25.

II Oe. 1589.

DEAR DOCTOR HÜFFER: Enclosed I am sending you another extract from the most recent reports¹ received from Vienna on the situation in Austria.

Heil Hitler,

Yours,

HABICHT

[Enclosure]

For the Foreign Ministry:

As already reported, the visit of Fey, the Austrian Minister for Security, to Budapest was made chiefly with the intention of finding out what action Hungary would take in the case of a *coup d'état* against Dollfuss.² As I have now learned from Gömbös' confidant in Vienna, Fey informed this confidant before his departure for Budapest that he wished in any event to have a private conversation with Gömbös.

¹ See enclosure. The second report enclosed, dealing with Austrian police measures against terrorist activities and passing on information that Dollfuss was travelling to Italy incognito, is not printed (6111/E452885-86).

² Fey had visited Budapest on June 12 and 13. According to a cypher letter by Mackensen, A 163 P 34 of June 15 from Budapest (9985/E697422-23), Gömbös had told him that Fey's visit was due to his desire to gather information on Hungarian defence measures against Communists. In cypher letter A 165 P 34 of June 18 (9985/E697425) Mackensen wrote that Kánya had confirmed this information next day, and stated that neither the Habsburg nor the National Socialist question had been mentioned.

This request was not, however, passed on to Gömbös officially. Preparations made by Fey, moreover, also envisage participation [in the Government] by the Legitimist circles with Archduke Eugen³ at their head. It is already reliably known in Vienna that the Legitimists led by Wiesner,⁴ that is to say, the really authentic ones, have dissociated themselves from Fey's plans. The differences within the Vienna Government are extremely serious. During the last meeting of the Council of Ministers on Sunday violent clashes occurred between Fey and Starhemberg on the one hand and Dollfuss on the other. In the course of this row Fey and Starhemberg threatened to resign, and immediately and publicly to withdraw the Heimatschutz from the Fatherland Front [*Vaterländische Front*].⁵ As a matter of fact, the position of the Heimatschutz is a very difficult one. Nowadays, members of the Heimatschutz are no longer considered at all for vacant posts and are treated almost like National Socialists. Clericalism is assuming forms which appear almost grotesque. The general atmosphere, therefore, is rather explosive. This is the situation which Fey intends to exploit. It is interesting to know that the Budapest press—as I have been able to ascertain reliably—was given special instructions on the occasion of Fey's visit not to print any articles of welcome but simply to chronicle the events of Fey's visit. For the rest, everything was to be avoided that could give this visit any importance. Fey was also not received by the Regent.

With regard to Starhemberg's visit to Budapest⁶ during the International Athletics Meeting here I have further learned from a well-informed source that the main purpose of the journey was to clarify the issue of the monarchy. Both Horthy and Gömbös, however, showed the greatest reserve towards Starhemberg, so that on his return Starhemberg was forced to admit that he had not succeeded in bringing about a real clarification. Meanwhile the split of the Heimatschutz into a Legitimist and a Nationalist faction is becoming more and more evident. Within the Government, Ministers Stockinger,⁷ Glass [sic],⁸ Gleissner,⁹ Buresch¹⁰ and Fey may be regarded as persons who consider an understanding with the National Socialists as absolutely

³ Second cousin of Emperor Francis Joseph; allowed to return to Austria in May 1934.

⁴ Dr. Friedrich Ritter von Wiesner, a leader of the Legitimist movement in Austria.

⁵ The organization created by the Dollfuss Government to supersede all political parties.

⁶ The visit took place on June 1 and 2. According to a report by Mackensen, A 155 P 34 of June 5 (9985/E697420-21), Kánya told him that Starhemberg had shown complete reserve on political matters. See also Starhemberg: *Between Hitler and Mussolini* (London, 1942), pp. 140-147.

⁷ Fritz Stockinger, Minister of Commerce May, 1933-November 1936.

⁸ Franz Glas, State Secretary in the Ministry of Justice until July 10, 1934.

⁹ Heinrich Gleissner, State Secretary in the Ministry for Agriculture until Mar. 12, 1934.

¹⁰ Karl Buresch, Minister of Finance, May 1933-October 1935.

essential. The other Ministers led by Schuschnigg are in favour of unconditionally maintaining the present course. Dollfuss' attitude vacillates; he leans first to one side and then to the other. Dollfuss remarked recently to a small circle of friends that, by the Grace of God, the Government could undoubtedly last for years yet, provided Fey did not defect.

*Concerning the Executive*¹¹

The position of the Dollfuss Government has recently been rendered increasingly difficult by the fact that the loyalty of a large section of the Executive is more and more in doubt. It is a fact that on June 11, 380 police officers were arrested in Vienna because they were allegedly National Socialists and had continued to pay contributions to the Party. The following instance is characteristic: The Commandant of the Heimatschutz in Piestingtal is in possession of orders issued by the Regional Command of the Heimatschutz in Wiener-Neustadt, which state that, if necessary, machine guns should be used on the Gendarmerie and Federal Army if during operations they sympathized with the National Socialists. At the same time the order has been given already at this stage to keep a watch on the Gendarmerie and to make arrangements for a possible replacement of certain sections of the Gendarmerie should this prove necessary. The Heimatschutz in the Wiener Neustadt area was ready for action on the 9th and 10th of June.

Some Jewish Police Officers have recently worked out for Karwinsky, the State Secretary for Security, who is married to a Jewess, a new plan for offensive action against the National Socialists. In some cases this action has led to the arrest of hitherto unknown subordinate commanders [*Unterführer*]. Incidentally, the Jews in Austria are extremely active. A very high-ranking officer of the State Police in Vienna, who is a nationalist, told my informant that he knew from his work that the Austrian Jews were engaged in tremendous subversive activities against the German Reich, especially in the sphere of foreign policy. It had transpired that Vienna Jews had, through the intervention of Suvich, approached Mussolini for a guarantee of protection for their lives and property if a National Government came to power in Vienna. It is alleged that the Italians had given such an assurance. Despite this, it can be observed that very many Austrian Jews have recently sold their possessions and, wherever possible, realized their assets.

Dollfuss Crisis?

In the most diverse circles in Austria the opinion may be heard that the next few weeks may possibly already decide the fate of the Dollfuss

¹¹ Austrian term meaning the military and police forces.

Government. In the endeavours made to bring about a national development in Austria, Rintelen, the Austrian Minister in Rome, is once again the centre of interest. Rintelen is said to be expecting Dollfuss to fall soon after the Hitler-Mussolini conversation,¹² especially since Rintelen has information to the effect that Mussolini has of late been rather dissatisfied with Dollfuss owing to the virtual failure of the latter's Government in their fight against the National Socialists. In this event—and this is being seriously discussed—Rintelen would form a provisional Cabinet composed of "Moderate Nationalists" and "Nationalist Christians" which would be authorized to hold an election after six months. Probably even a plebiscite will be held. It is interesting in this connexion that Generaldirektor Neubacher, the well-known leader of the Austrian-German Volksbund¹³, recently had a conversation with Dollfuss. In this conversation Dollfuss promised that, if Neubacher were to become Landesleiter of the NSDAP in Austria, Dollfuss would at once give the Party four ministerial seats and would remove the Legitimist Ministers from the Cabinet.

Dollfuss considered it impossible to bring Habicht into Austria's domestic politics as Federal Chancellor or Vice Chancellor, as this would be considered a *casus belli* abroad and that would accentuate Germany's international isolation. Neubacher further reported that the Monarchist danger had never before been so acute for Austria as at present, but this was still often not properly appreciated in the Reich. The reason was to be found in the poor information service of the Austrian centres now working in Germany. The Austrian question could ultimately only be solved by the SA with Röhm, but excluding Habicht. The SA officers had, however, no chance of informing Röhm correctly about Austria, since Habicht always stood between them. Hitler himself had requested him, Neubacher, during their repeated conversations not to talk about Austria.¹⁴ On his last visit to Berlin,¹⁴ Neubacher had been invited to a discussion by Röhm but had been warned by Habicht against entering into such a discussion. In Neubacher's opinion it was quite out of the question to appoint Reschny as Commissioner of Police [*Polizeipräsident*] in the likely event of a change over, as the Executive was insisting on the reinstatement of Brandl;¹⁵ nor could Reschny be made the Minister for the Army, since the officers of the Federal Army would resist this. Also the allegedly imminent appointment of Frauenfeld as Landesführer for Austria in place of Proksch, is considered not very fortunate by Neubacher. It was, and still is, obvious from all Neubacher's observations that he has himself in mind for the post of Landesführer.

¹² See documents Nos. 5, 6, 7 and 10.

¹³ The Deutsch-Österreichischer Volksbund, a pan-German organization.

¹⁴ No records of these conversations have been found.

¹⁵ Franz Brandl, Commissioner of Police for Vienna until March 1933.

An interesting point is that the British Minister in Vienna¹⁶ told my informant he knew for a fact that Tauschitz, the Austrian Minister in Berlin, was playing a double game. *Vis-à-vis* the German Government he was pretending friendship for the National Socialists but, at the same time, he was sending reports to Dollfuss expressing the opinion that Hitler would be finished in the very near future. Some of these reports had come into the hands of the British Intelligence Service in Austria. In Britain, however, so the British Minister reports, people were quite sure that Germany would make her way if really capable men, such as, for instance, Neurath, remained in charge of foreign policy. The British Minister said further that the British were convinced that the Austrian question could be solved within twenty-four hours if the National Socialists would drop *Habicht*.

According to information I have received from a reliable source (a reliable informant) the Social Democrat Helmer, former Deputy of the *Landeshauptmann* for Lower Austria, said, shortly before his arrest, to a National Socialist subordinate commander [*Unterführer*], in so many words: "The world programme of the future is the idea of Adolf Hitler". Helmer was still under arrest simply because this was known in Dollfuss circles. Even today Helmer still has a very large following amongst the Social Democrats in Lower Austria who are only waiting for him to decide and might perhaps then go over to the National Socialists. Incidentally, the Dollfuss Government are at present carrying on negotiations with the moderate Social Democrat leaders, in the first place with Renner,¹⁷ on the basis of joint action against the National Socialists and against the *Anschluss* of Austria to the Reich. The negotiations are supposed already to have led to far-reaching agreements in principle between the two parties.

¹⁶ Sir Walford Selby.

¹⁷ Dr. Karl Renner, Austrian Chancellor 1918-1920.

No. 18

9037/E633256-58

*The Directorate of the Reichsbank to the Reich Minister of Economics*¹

STRICTLY CONFIDENTIAL

BERLIN, June 18, 1934.

No. IIa 12407

W 4820.

Subject: Allotment system for supplies of foreign exchange.

Despite all restrictive measures which have so far been taken in the field of foreign exchange,² the daily withdrawals from the Reichsbank

¹ The copy of this letter here printed was sent to the Foreign Ministry for information.

² See document No. 9, footnote 1, vol. I of this Series, documents Nos. 288, 293 and 296, and vol. II of this Series, letter of Dec. 23, 1933, from Phipps to Neurath.

are larger than the receipts. Consequently, our gold and foreign exchange reserves have continually decreased, so much so that in our statement of June 15 last we had already reached the limit of 100 million Reichsmark. In no circumstances is a further decrease warranted, since a certain amount of gold and foreign exchange is absolutely necessary for effecting the daily transactions which have become very extensive as a result of the concentration of foreign exchange business in the Reichsbank. Our dispositions are at present already restricted to the utmost, owing to small reserves. There is, therefore, no other course left but to go over to a system of foreign exchange allotments [*Devisenrepartierung*] now until such time as the systematic restrictions, which were started some considerable time ago but are only very gradually having an effect, automatically bring about an equilibrium in the daily foreign exchange balance of the Reichsbank. The main feature of the system must be that the Reichsbank shall not pay out on any one day more foreign exchange than it receives.

In order to put such a system into operation it will be necessary to re-examine and possibly modify our entire procedure for the compulsory management of foreign exchange. It will be essential to deprive the banks dealing in foreign currency of all possibility of engaging in [foreign exchange] compensation transactions, to liquidate foreign exchange working funds or limit them substantially and, above all, to remove all possibility of unrestricted imports from certain countries of various commodities not subject to the allotment [of foreign exchange] system. In principle, it will be necessary to arrange Government foreign exchange control in the simplest possible form so that the Reichsbank receives all proceeds from exports and allocates them under its central control, and that all other channels of paying for exports, by which the proceeds do not go to the Reichsbank, are blocked wherever possible.

Judging by the present state of affairs, only a system of allotting foreign exchange will in some measure guarantee that such foreign currency as is required for honouring bills of exchange under the Standstill Agreement³ can be made available. What the consequences of defaulted bills under the Standstill Agreement would be, need not be explained at this stage.

We would ask you, therefore, to arrange that discussions with the experts in the various departments concerned are started at once. It seems necessary to us to speed up the discussions in such a way that the system of allotments could come into operation before the date of the July instalment, best of all at the beginning of next week, in other words on June 25.

³ See document No. 12, footnote 4.

The Foreign Ministry and the Reich Chancellor's Commissioner for Economic Questions⁴ have received copies of this letter.⁵

Directorate of the Reichsbank

Signatures

Copy for information [to the Foreign Ministry]

Directorate of the Reichsbank

DR. HJALMAR SCHACHT

DREYSE

⁴ Wilhelm Keppler.

⁵ Marginal note in Ulrich's handwriting: "Discussed in the HPA [Handelspolitischer Ausschuss] on June 22." The HPA decided on June 22 that the allotment system proposed by the Reichsbank could be put into effect as from June 25 (5650/H003900-02).

No. 19

6036/E444869

Memorandum by the Foreign Minister

BERLIN, June 19, 1934.

RM 681.

According to information from the Reich Chancellor the question of colonies was not raised in the conversations between him and Mussolini.

As to the Danubian question, this had only been discussed quite briefly, but no mention had been made of the Italian Memorandum.¹ The Reich Chancellor had the impression that the Danubian question was of little interest to Mussolini.

In response to the Reich Chancellor's remark that he hoped soon to be able to welcome Mussolini in Germany, the latter replied that this could perhaps be arranged in the autumn.

FRHR. V. NEURATH

¹ The Italian Memorandum of Sept. 29, 1933, is printed in *Documents on International Affairs 1933* (London, 1934), pp. 410-414. See also vol. I of this Series, document No. 485, footnote 5, and vol. II, letter from Ritter to Hassell of Nov. 13, 1933.

No. 20

7467/H181270-71

The Ambassador in Great Britain to the Foreign Ministry

No. 167 of June 20

LONDON, June 21, 1934—11:31 a.m.

Received June 21—1:00 p.m.

II Abr. 1721.

After today's luncheon at Ascot with the King and Queen, King George drew me into a lengthy conversation.

The King first asked searching questions about the internal position in Germany and I gave him the appropriate explanations, whereupon

the King spoke appreciative words about the statesmanship of the Reich Chancellor.

His Majesty then proceeded to speak about foreign policy and once again expatiated most forcibly on how necessary it was for the sake of world peace and the settlement of outstanding controversial questions that Germany should return to the League of Nations. Without Germany, Japan and America (the King did not mention Russia) the League of Nations was unable to act and consequently a very important opportunity for collective consultation was also lost.

I replied that the *first* precondition for any deliberations on Germany's return to Geneva was the conclusion of a disarmament convention, on the substance of which far-reaching agreement between Germany and Britain had, after all, been achieved, but, as was known, the realization of which was being thwarted by another party. The King admitted quite frankly that France was causing obstruction and did not refrain from criticizing Barthou's conduct at Geneva. However, he constantly reverted to the hope that for the sake of easing the general situation Germany would return to Geneva.

The King then drew attention to the great irritation caused in Britain by Germany's announcement that she was stopping her transfers in respect of the Reich Government Loan,¹ bonds of which were held over here amongst all sections of the population as investment securities. His Majesty appealed to us most urgently to recognize how important it was to give sympathetic consideration to the mood of the people over here and, in the interests of both our countries, to do all we could to bring about agreement on the transfer question even at this late stage.²

Hoesch

¹ See documents No. 9, footnote 1, and No. 21.

² Another copy of this document (1506/371292-93) is marked: "The Chancellor is informed. L[ammers], June 23."

No. 21

9252/E654572-73

The Ambassador in Great Britain to the Foreign Ministry

Telegram

No. 168 of June 21

LONDON, June 21, 1934—11:59 p.m.

Received June 22—2:05 a.m.

W 4960.

With reference to telegram No. 166¹ and today's report B 1503² as well as to my telephone conversation with Herr Ritter today.³

¹ Not printed (9252/E654552-55); this telegram of June 20 reported a conversation between Bismarck and Sir Frederick Leith-Ross, Chief Economic Adviser to the British Government, on the British Government's statement of June 15 (see document No. 9, footnote 3) and on a possible agreement on the transfer question.

Yesterday's statements⁴ which Leith-Ross made to Bismarck and the British Note on the transfer question,² forwarded with my above-mentioned report, indeed make the prospects of possible German-British negotiations seem extremely remote. Nevertheless, I should like to think that the situation regarding negotiations will turn out somewhat less unfavourable than could be assumed from the attitude taken by Leith-Ross and the substance of the Note.

I am persuaded to take this view, for one thing, by the attitude of the Governor of the Bank of England,⁵ which I reported and which should certainly not be completely ignored; by certain remarks made by Under-Secretary of State [*sic*] Burgin⁶ who deals with these matters in the Board of Trade and who was my guest the day before yesterday, when he most emphatically expressed the wish and hope that the introduction of the clearing system would be avoided through a German-British understanding; and, finally, by the views of Mr. Chamberlain, the Chancellor of the Exchequer, who also told me, on the occasion of a social function today, that he hoped that agreement would be reached by way of *reciprocal* concessions.

I am therefore convinced that there is a large measure of goodwill for an understanding and that the statements made by Leith, who is always especially obdurate, and the substance of the Note, obviously drafted by Leith, reflect the views of the British Government in a way that does not completely exhaust all possibilities. In particular, I do not consider it impossible that in the end something might yet be achieved along the lines of a settlement through additional exports, provided they are adjusted to Britain's special requirements.

On these considerations I would recommend that negotiations be opened and the negotiators be instructed in such a way that serious

² Not printed (5621/E403692-99). This report of June 21 forwarded the British Note of June 20 in reply to the German Note of June 15. For the text of the two Notes see British White Paper, Cmd. 4620 of 1934: *Papers respecting the German Transfer Moratorium*.

³ No record of this conversation has been found.

⁴ See footnote 1 above. Leith-Ross had told Bismarck that the British Government intended to introduce a clearing procedure if the German decision to stop the payments on the Dawes and Young loans was not cancelled. Despite previous objections in principle, however, the British Government would be prepared to conclude a special agreement with Germany if Germany undertook to pay the interest on the Dawes and Young loans at its previous level, not to take deliberate measures to alter the Anglo-German balance of payments to the detriment of Britain or her colonies, concluded an exchange agreement and declared her willingness to reach a satisfactory agreement on British cotton yarn in respect of additional tariffs and tariff quotas. Such an agreement would also depend on the terms of the special agreements with Switzerland and the Netherlands. Britain would undertake not to introduce any quotas directed against Germany such as were being advocated in some quarters. If the German Government were prepared to enter into discussions on this basis, such negotiations should take place in London at the end of the week or the beginning of the following week.

⁵ Mr. (later Sir) Montague Norman. See document No. 12.

⁶ E. L. Burgin, Parliamentary Secretary to the Board of Trade.

efforts may be made to reach agreement and to avoid the political and economic consequences of a deadlock, which would be most undesirable.⁷

HOESCH

⁷ Another copy (9252/E654584-85) of the document here printed bears the marginal note: "The delegation is due to leave on Monday. v. N[eurath], June 22."

No. 22

6693/H099689

The Foreign Minister to the Embassy in Japan

Telegram

No. 66

BERLIN, June 21, 1934—3:40 p.m.

zu IV Chi. 1236.¹

1286.²

With reference to your telegrams Nos. 77,³ 82,⁴ 83¹ and 88.⁵

1. The text of the telegram to Heye⁶ is not in accordance with the arrangement made here. There can be no question of the Foreign Ministry's confirmation being renewed.

2. The Reich Food Ministry categorically rejects Heye's proposal on economic and politico-economic grounds. I approve this decision also on political grounds.

You should inform Herr Heye without delay that approval of his agreement is out of the question and request him to refrain from negotiations of any kind.⁷

For your strictly personal confidential information: The termination of Heye's appointment as Reich Commissar is imminent.

Please inform Peking.

NEURATH

¹ Not printed (6693/H099675); Tokyo telegram No. 83 of June 12.

² This was a communication from the Reich Food Ministry of June 19 (6693/H099691-92) expressing disapproval of Heye's proposed agreement.

³ Tokyo telegram No. 77 of June 6, 1934; see vol. II of this Series.

⁴ Not printed (6693/H099668), Tokyo telegram No. 82 of June 11.

⁵ Not printed (6693/H099682); in this telegram of June 20, Dirksen reported that Heye, whom he had not seen since mid-February, had announced his forthcoming arrival in Tokyo; Dirksen requested instructions.

⁶ In Tokyo telegram No. 84 of June 15 (6693/H099680) Dirksen had transmitted the text of a telegram which Heye said he had received from Berlin. The text of this telegram is substantially the same as that which Daitz, Director of the Foreign Trade Department of the Aussenpolitisches Amt, had sent Neurath in a letter dated June 8 (for which see vol. II of this Series) stating that he had in mind to despatch it to Heye in Manchukuo. See also document No. 24.

⁷ In telegram No. 91 of June 29 (6693/H099704) Dirksen reported that he had informed Heye, who had meanwhile arrived in Tokyo, as instructed and that Zores [of the German-Manchukuo Export and Import Co. Ltd. who was assisting Heye] had been recalled to Germany to report.

No. 23

6063/E448450-55

*The Foreign Ministry to the Embassy in Italy*¹

SECRET

BERLIN, June 21, 1934.

e.o. II Balk. 1429 Js.

Subject: The political and economic significance of the Commercial Treaty with Yugoslavia.

With reference to our despatch of June 11—II Balk. 1157 Js. Ang. 3.²

For your personal and confidential information only.

The German-Yugoslav Commercial Treaty transmitted in the despatch under reference, which will apply provisionally as from June 1 next, represents a fundamental remodelling of trade relations between Germany and Yugoslavia.

The object of the negotiations was to place the mutual exchange of goods on a broader basis and to keep opportunities of developing the Yugoslav market open to Germany in future, besides providing us with an economic foothold in Yugoslavia and thus also in the Little Entente, from which it would be possible to prevent or at least render very difficult Yugoslavia's becoming economically bound up with other countries contrary to our wishes.

The German concessions suffice to make the German market indispensable to Yugoslavia's exports should the Treaty remain in force for a prolonged period, since even under the German system of monopoly management it has proved possible to make substantial allowance for Yugoslavia's export interests in her most important products (plums, eggs, apples, wheat, maize and lard), and under the agreed rebate system [*Rückvergütungssystem*], which is tantamount to a disguised preference system, Yugoslavia is assured of far-reaching export possibilities on the German market, which would be virtually non-existent without this system. In the case of eggs, it is true that the 30,000 dozen conceded fall short of Yugoslavia's demands, but sufficiently substantial Yugoslav interests are established through centralized purchasing. The question of maize has been settled. With regard to wheat, we shall probably be unable to avoid, next year too, having to help Yugoslavia in disposing of her products on the world market.

¹ Copies of this document were sent on the same day to the Missions in London, Paris, Ankara, Vienna, Prague, Budapest, Bucharest, Sofia and Belgrade, with instructions to follow its lines in any conversations on the subject (6063/E448456).

² Not printed (6063/E448408). This despatch circulated copies of the Commercial Treaty and some of the additional documents signed by Germany and Yugoslavia on May 1, 1934 (6063/E448409-49), to the Missions in Rome, Paris, Vienna, Budapest, Prague, Sofia, Bucharest and Athens. See also vol. II of this Series, Berlin despatch of Mar. 12, 1934.

Given the economic importance of these concessions, the various possibilities for terminating the agreement place us in the position of being able, if required, to exert adequate pressure on Yugoslavia.

The economic advantages accorded to us by Yugoslavia not only provide an economic counterpart but, in addition, will probably work out to Germany's advantage.

Germany obtains, through the unrestricted most-favoured nation treatment and release from all future quota measures, an open door in Yugoslavia which, taken together with numerous tariff concessions, may be expected to lead to a favourable development for our exports. Moreover, the Yugoslav Government's promise about the promotion of imports from Germany, especially in connexion with public works, opens up further opportunities of development for German exports.

As regards the value of goods to be exchanged, the object was not to try and strike a balance but rather to aim at the largest possible trade surplus in Germany's favour whilst providing adequate transfer facilities. A surplus of this kind would correspond, in Yugoslav opinion also, to the normal proportions of the exchange of commodities between the two countries. Transfer facilities for this surplus are provided by the general clearing agreement, by the agreement on tourist traffic, by the inclusion of the 7·7 million marks secret refund payable by us, and by foreign exchange obtained from the export of wheat to third markets.

The possibilities indicated in the Treaty are to be further developed in future. Responsibility for this will devolve on the Government Committees which are, if only for this purpose, indispensable. Furthermore, they provide a means of ensuring that in allocating quotas and concessions the actions of the Yugoslav authorities shall correspond to Germany's interests. The Government Committees will, in particular, also have to deal with the adjustment of Yugoslavia's agricultural production to Germany's import requirements, a question of special importance for the future, but which is only settled in principle in the Treaty. The further expansion of the Treaty will largely depend upon the cooperation of the Government Committees.

There is no necessity to inform other Governments, especially as it would be politically undesirable for the economic significance and corresponding political implications of the Treaty to be picked upon and magnified abroad and made the subject of public discussions. But should the Embassy consider it appropriate to inform the Italian Government in broad outline of the outcome of the negotiations, reference should be made to the text of the Treaty as published in the *Reichsanzeiger* of May 11, 1934; it should further be explained that the reason for those agreements which contain concessions going beyond the scope of the Treaty (which may have become known to the Italian Government and which they may bring up), is that during the course of

the negotiations it became necessary to make certain changes in the previous agreements to safeguard mutual interests over export. Such explanations should, as far as possible, avoid conveying to the Italian Government the impression that the Treaty also serves political purposes and is not exclusively designed to promote reciprocal trade relations.

You should report on any conversations you may have with the official authorities in Rome, or on any Italian press comment.³

The enclosed memorandum⁴ provides for your information a brief summary of some of the noteworthy points in the new Treaty. There is also enclosed a list⁵ of all agreements concluded in conjunction with the commercial treaty, including *secret* arrangements.

By order:
ULRICH

³ No such report has been found.

⁴ Not printed (6063/E448457-62).

⁵ Not printed (6063/E448463).

No. 24

6693/H099693-97

Foreign Minister Neurath to Reich Minister Hess

MOST URGENT

BERLIN, June 21, 1934.
zu IV Chi. 1236.¹
1286² [Ang.] I.

DEAR HERR HESS: On June 5 Herr Heye reported by telegram to the Embassy in Tokyo the conclusion of an agreement with the Government of Manchukuo subject to the approval of the Reich Government.³ It emerged later that Herr Heye had already made the agreement two weeks previously. The text of the agreement is contained in the enclosed copy of telegram No. 83 of June 12 from Tokyo.¹

May I first draw attention to the fact that, according to the arrangement with the Chancellor, Herr Heye was not empowered to conclude any agreement whatever without *first* obtaining permission from the Reich Government.

I told Herr Daitz,⁴ who called on me about the agreement, that I must reserve a further decision in this matter until the text of the agreement, with which I was so far not acquainted, was available to me. I therefore rejected both orally and in writing⁵ a proposal by Herr Daitz that the Foreign Ministry should promise Herr Heye that it

¹ See document No. 22, footnote 1.

² See document No. 22, footnote 2.

³ This information was contained in Tokyo telegram No. 84 of June 15; see document No. 22, footnote 6.

⁴ Director of the Foreign Trade Department of the Aussenpolitisches Amt.

⁵ In a letter to Daitz, dated June 11 (6693/H099673).

would confirm his appointment anew. Despite this, Herr Daitz telegraphed Herr Heye that the Foreign Ministry would confirm his appointment again in the next few days. I must emphatically protest against this manner of conducting official business.

As regards its subject matter, the agreement concluded between Herr Heye and the Government of Manchukuo is economically completely worthless for Germany and creates a most objectionable precedent from the point of view of German economic policy. Herr Heye has himself described it as "an outward gesture". This description fits it exactly, for the obligation assumed by the Government of Manchukuo has no substance whatever. Apart from a few high quality goods there are no industrial products needed in Manchukuo which are not manufactured either in Japan or Manchukuo. All the other industrial products, which we also have in Germany, are made by Japan herself.

On the other hand, however, the declaration to be made by the Reich Government would create a dangerous precedent and would be contrary to the plans of the Reich Ministry of Food and Agriculture for Germany's fat supplies. The Heye agreement is categorically rejected in the enclosed statement of this Ministry's views.⁶ In addition to this disapproval under the aspects of trade and economic policy, the Heye agreement cannot be approved from the political angle either.

There is no need to emphasize the political objections to an agreement between Manchukuo and the Reich Government in view of the Reich Government's familiar attitude to the question of recognition.⁷ The resultant danger to Germany's position in China and particularly to German trade there is obvious. On these grounds the German Minister in China, too, has sent an urgent warning against approval of the agreement.⁸

The agreement has probably only been concluded by Manchukuo in order, for reasons of prestige, to have the advantage of concluding an economic agreement. There is absolutely no reason for an "outward gesture" towards Manchukuo, as Herr Heye himself described the agreement.

I regret, therefore, that I cannot give the agreement my approval. The way matters are developing definitely requires the cessation of Herr Heye's activities which are politically and economically just as useless as they are harmful.

This opinion is shared by all our official agencies in Japan, China

⁶ Not printed; see document No. 22, footnote 2.

⁷ In a minute to Ritter of June 12 (6693/H099669), Meyer pointed out that any agreement concluded would have to be between, for example, an agency for oils and fats and the South Manchurian Railway Company, since any State treaty between the Reich Government and Manchukuo must be avoided.

⁸ In telegrams Nos. 63 and 66 from Peking of June 10 (6693/H099664) and June 13 (8301/E589626) respectively.

and Manchukuo, which are urgently demanding the termination of Heye's negotiations.

Similarly, at the request of the Hamburg Chamber of Commerce, their representative in Berlin, Herr Eiffe, called here and urgently requested the termination of the activities of Herr Heye as Reich Commissar.⁹

In the prevailing circumstances may I, with reference to my letters of May 15 and 29—IV Ja. 557¹⁰ and IV Chi. 1094¹¹—request your approval for the termination of the activities of Herr Heye as Reich Commissar. On account of the urgency of the matter I should be glad if you would inform me of your agreement as early as possible, since, in view of Herr Heye's impending arrival in Tokyo, I must furnish the Ambassador in Tokyo with instructions in five days' time at the latest.

Heil Hitler,

Yours etc.,

V. NEURATH¹²

⁹ In a memorandum of June 15, IV Chi. 1279 (6693/H099676), Erdmannsdorff recorded a conversation with Eiffe who also complained about the activities of Daitz and left a copy of a communication dated June 11 (6693/H099677-78) containing a protest from the Ostasiatischer Verein Hamburg-Bremen against the appointment and activities of Heye and demanding his recall.

¹⁰ Not printed (6693/H099397-400); this letter adduced evidence as to the unsatisfactory nature of Heye's activities in Manchukuo.

¹¹ Not printed (6693/H099457). This enclosed a copy of telegram No. 73 of May 25 from Tokyo (6693/H099455-56) and requested Hess' views as to whether Heye should continue his activities in Manchukuo. In the enclosed telegram Dirksen reported that the Director of the Commercial Department of the Japanese Foreign Ministry, Kurusu, had expressed Japan's disapproval of Heye's activities.

¹² Marginal note in Neurath's handwriting: "Copy to Herr Keppler" [Commissioner for Economic Questions in the Reich Chancellery]. A copy was sent to him under Ang. III of June 23 (6693/H099700).

No. 25

7456/H176025-28

Memorandum by an Official of Department II

BERLIN, June 21, 1934.

zu II Abr. 1724.¹

Admiral Freiherr von Freyberg² informed me today by telephone that a conference would take place tomorrow afternoon with the Reich Chancellor, which the Foreign Minister, the Reichswehr Minister and the Chief of the Naval Command³ would attend, to discuss the question of Germany's participation in the 1935 Naval Conference.

¹ This was the letter, SK 60/34 geh. of June 21 (7456/H176020), under cover of which Freyberg sent Frohwein the memorandum forming the enclosure to the document here printed.

² Vice Admiral von Freyberg-Eisenberg-Allmendingen, Chief of the Naval Conferences Group of the Naval Command.

³ Admiral Erich Raeder.

There has for some time been a difference of opinion on this question between the Naval Command and the Foreign Department of the Ministeramt (General Schönheinz). While the Naval Command is of the opinion that we should take part in the 1935 Naval Conference whatever happens, the Foreign Department of the Reichswehr Ministry is of the opinion that there can be no question of our taking part as long as, in the negotiations about land and air disarmament, German equality of rights is not achieved.

Admiral Freiherr von Freyberg has sent me, for my personal information, with a request that it be treated as strictly confidential, the enclosed memorandum, which he has prepared for the Chief of the Naval Command to use at tomorrow's discussion. The memorandum proceeds from assumptions which are not quite correct. From secret and absolutely reliable sources⁴ we know that—contrary to Herr von Freyberg's assumption—Japan does not desire Germany's inclusion in the Naval Conference, probably fearing that the Soviet Union would then inevitably participate. We learn from the same source that the French will support Germany's inclusion in the Naval Conference on the grounds that it is necessary to find out whether the German Navy will remain within the limits of the Versailles Treaty or not. On the basis of the Naval Conventions of Washington and London,⁵ of which the latter, unless renewed, will expire automatically on December 31, 1936, while notice can be given of the termination of the former by the same date—which Japan will probably do—only the five great naval Powers (Britain, America, Japan, France and Italy) are taking part. In the MacDonald plan⁶ laid before the Disarmament Conference at Geneva it was envisaged that a conference of all the naval Powers should take place parallel with the Five Power Naval Conference. It is possible that the two conferences will be combined, or even that the Five Power Conference will merely be supplemented by a number of fairly large and medium-size naval Powers. In both cases the question of our participation would arise.

⁴ No information as to these sources has been found; but in despatch No. 2245 of June 12 from Tokyo (7456/H176042-45) Dirksen reported that his Naval Attaché, Commander Wenneker, had been informed by the Japanese Ministry of Marine that the Japanese Navy would support Germany if she wished to take part in the preliminary and naval conferences. In despatch A 2163 of June 26 from London (7456/H176037-40), however, Hoesch reported that his Counsellor of Embassy, Bismarck, had been told by the Japanese Ambassador that the Japanese Government were against any increase in the number of participants in the Naval Conference.

⁵ The Treaty for the Limitation of Naval Armament, signed by Great Britain, France, Italy, Japan and the United States, in Washington on Feb. 6, 1922, and the Treaty for the Limitation and Reduction of Naval Armament, signed by Great Britain, the United States and Japan, in London on Apr. 22, 1930; France and Italy did not sign Part II of this Treaty. For the texts see League of Nations: *Treaty Series*, vol. xxv, pp. 196-227, and vol. cxii, pp. 65-91, respectively.

⁶ The British proposals for a draft convention submitted to the General Commission of the Disarmament Conference on Mar. 16, 1933; for the text see League of Nations: *Conference for the Limitation and Reduction of Armaments, Conference Documents*, vol. ii, pp. 476-493.

In my opinion a final decision on the question of our participation or non-participation can hardly be made at present. In itself, our participation in the conference would without doubt be desirable, since a readjustment by treaty of the proportions of our Navy would finally give us undisputed freedom from the naval provisions of the Treaty of Versailles. Nevertheless, developments might be such that, for tactical reasons, we would do better to stay away from the Naval Conference of 1935, at least at first.

There are three distinct possibilities:

An agreement on the land and air armaments question might be reached before the beginning of the Naval Conference; we would then naturally take part in the Naval Conference. Or it could happen that, although there was no agreement in the form of a convention, a *modus vivendi* without a treaty could be arrived at, under which the realization of our equality of rights in the armaments sphere could be accepted *de facto* either tacitly, or by a "gentlemen [*sic*] agreement"⁷ with France's toleration. In this case our participation in the Naval Conference would also be expedient, and it could, in certain circumstances, as indicated in Admiral von Freyberg's memorandum, serve as a means of turning a *de facto* situation as regards land and air into a *de jure* situation. There is, however, a third possibility, namely that the French will, by the familiar methods, keep the negotiations on the land and air armaments question pending, as at present, until the Naval Conference begins. This would have the advantage for them that, if the land, air and naval questions were being dealt with simultaneously, they could try, by making certain concessions in the naval sphere, to bring the British over to their side in the land and air questions, as they were able to do once before in the preliminary disarmament commission. Such action on the part of France would also conform to the old French theory about the interdependence of the different categories of armaments. If this should happen, then our participating in the Naval Conference would seriously weaken the strong position which we now hold by reason of our absence from the general conference.

I believe, therefore, that we would at present do best to leave the question of our participation in the Naval Conference entirely open, merely keeping ourselves currently informed, through Italy, on the course of the preliminary discussions. The decision regarding our participation can be made when the development of the land and air disarmament question can be more clearly foreseen, that is to say probably in the late autumn of this year, unless we receive an invitation before then.

FROHWEIN

⁷ In English in the original.

7456/H176021-24

[Enclosure]

zu SK 60/34 geh.⁸

GERMANY'S PARTICIPATION IN THE 1935 NAVAL CONFERENCE

The Naval Conference which is expected to take place in 1935 represents a continuation of the Washington Conference of 1921-1922, and of the London Conference of 1930; some of the Treaties which were then concluded will expire on December 31, 1936. Germany did not take part in either Conference. Her participation in the 1935 Conference is therefore not a matter of course, and she could, in fact, only participate if invited to do so by the five so-called Washington Powers. This gives rise to the question whether Germany should accept a possible invitation to participate in the Conference, or not. Should Germany try to bring about an invitation of this kind, if it is not issued spontaneously?

First, the views of the five Washington Powers on the possibility of Germany participating:

Britain: The diplomatic correspondent of the *Daily Telegraph*,⁹ who on the whole is well-informed, writes, with regard to the inclusion of other Powers in the Conference, that there is no doubt that Germany will be invited, that it is probable that Russia will be invited, and that it is possible that Spain and the South American ABC States will be invited.

When Eden, the Lord Privy Seal, was in Berlin,¹⁰ he told me—without my having asked him about it—that it went without saying that Germany would take part in the Conference. He said this with such conviction that it may be taken to be more than a personal opinion.

America: Definite statements about her views regarding Germany's participation are not as yet available, except for a press report to the effect that the Government of the United States wish the number of States taking part in the Conference to be kept limited, because if the number of participants were increased the difficulties would also increase.

Japan: Our Naval Attaché in Tokyo has learned that if Germany wished to take part in the Conference, Japan would support her in this.¹¹

France: Wishes to include Russia. She has misgivings regarding

⁸ See footnote 1 above.

⁹ Copies of articles in *The Times* and *The Daily Telegraph* of May 26, 1934, were forwarded to the Foreign Ministry under cover of despatch No. 1772 of May 29 from London (7456/H175995-97).

¹⁰ Eden visited Berlin Feb. 19-23, 1934, see vol. II of this Series.

¹¹ See footnote 4 above.

Germany, because she considers that an invitation to Germany might in itself assure to her full equality of rights at the Conference. But France realizes that she will not be able to have Russia included if at the same time Germany is passed over.

Italy: Sent us a Note as early as last January,¹² in which she asked us to let her know what attitude we intended to adopt at the Conference and more or less invited us to collaborate [with her]. Her views are therefore not in doubt.

Germany's inclusion is thus by no means assured. The veto of any one of the Washington Powers would suffice to prevent an invitation being issued. The fact that it is precisely France who does not wish the invitation is an indication that it would be in Germany's interests and is therefore to be sought.

What can Germany expect to gain if she takes part in the Conference? It is now clear to the whole world that Germany will no longer take part in any negotiations unless on a basis of complete equality of rights. France is therefore quite logical in realizing that even to invite her to the Conference is to recognize Germany's equality of rights. With the conclusion of a convention in which Germany was a participant, the naval provisions of Part V of the Treaty of Versailles would be finally and officially invalidated. The material implications of this need not be examined more closely in this connexion. Politically it would be an achievement of very considerable scope, a scope which would extend far beyond the purely naval sphere. For it is clear that equality of rights, acknowledged and put into practice as regards naval armaments, could not then be denied us in the sphere of land and air armaments. Thus, if Germany were to participate in the 1935 Conference, it might, in this connexion, have a wellnigh revolutionary effect.

The gain in international prestige, if Germany were no longer treated as a pariah by the other Great Powers, but were included, on a basis of equality of rights, in the Naval Conference, and if likewise a start were made before the eyes of the world in demolishing the Treaty of Versailles, need only be mentioned in passing. This is the imponderable for which we have striven at Geneva for eight years, and for which, when we did not achieve it, we withdrew from the Disarmament Conference and the League of Nations; an imponderable which would in this case be assured to us, not by an ambiguous formula, but by facts.

Finally, we have an almost infallible criterion: All those who are unfavourably disposed towards Germany's rise and the development of her Navy, would feel malicious pleasure if she were not invited or if

¹² Dated Jan. 23 (7456/H175925-26); the German reply was dated Mar. 14 (7456/H175953-56).

she failed to accept an invitation. For the measure of a nation's importance in the world is the measure of her power at sea.¹³

¹³ A memorandum by Frohwein of June 21 (7456/H176012), proposing that the press be advised to restrict to a minimum editorial comment on the Naval Conference, bears the marginal note: "Agreed. Above all the press should give no hint that we should like to participate in the negotiations as soon as possible. B[ülow], June 21."

No. 26

5739/H030297-304

*The Ambassador in Italy to the Foreign Ministry*¹

I 729 ROME, June 21, 1934.
Received June 23.
II It. 976.

POLITICAL REPORT

Subject: The Meeting at Venice.

General impression in Italy. Assessment of the outcome by Government circles. Statements by Suvich on particular points of the discussions. Disarmament question, League of Nations, Russo-French treaty policy, Austria. The personality of the Reich Chancellor. Assessment of the meeting by Foreign Ministry circles. Points of view on the further development of German-Italian relations.

The meeting of the Leaders at Venice has made an unusually profound impression on the whole of Italy, from leading Government circles to the broadest strata of the people. It may be said without exaggeration that no event in foreign affairs has, in recent years, occupied and moved the Italian public so much as has the meeting on Italian soil of the German Chancellor and the Duce of Fascism. This effect is not so much due to the assumption that something extraordinary has occurred in foreign affairs, but rather to the realization that the two most outstanding personalities in the leadership of the world and, at the same time, of two closely related ideologies, have met together in order to get to know each other personally and, unimpeded by bureaucratic restrictions and international considerations, have entered into a confidential exchange of views with each other. Added to this is the deep impression made by the Chancellor's personality, who in his bearing combined dignity with friendliness and frankness. Finally

¹ In a private letter of June 18 (3117/641465), State Secretary Bülow had written to Hassell: "As was to be expected, it is difficult to recall all the details of the personal conversations held in Venice, and even in the record the accounts differ in several respects. You should therefore report as fully as possible on everything you learn concerning the Italian version of the discussion."

the brilliant setting in which the meeting took place, as well as the fact that the Duce himself was visiting Venice again for the first time after eleven years, have certainly also helped to focus general interest on the meeting and to give it a popularity which is perhaps unique in the history of the new Italy.

With the unrestrainedly favourable impression which the meeting has made on the public the naturally somewhat more sober and objective impression prevalent in official circles is in complete accord. Great satisfaction is felt in the Foreign Ministry with the results of the meeting of the Leaders, and it is said that all the hopes pinned on the meeting have been fulfilled.

I have had the opportunity today of having an exhaustive conversation with Signor Suvich on the impressions gained from the meeting. When I had told him briefly about the various subjects (disarmament question, League of Nations, Russo-French policy of pacts and the Austrian problem) and what I had learned from the Reich Chancellor regarding the substance of the conversations, Signor Suvich confirmed this account in all respects. The following points from his statements are noteworthy:

(1) With regard to the disarmament question, both statesmen were in complete agreement that the well-known German demands were justified and should be realized in a convention. The Italian Memorandum² was still to be regarded as a thoroughly suitable basis for this convention. Nevertheless, in view of French policy, it could not at present be foreseen how this goal was to be reached. No initiative whatever should be expected at present, from either the Germans or the Italians. The Reich Chancellor had replied in the affirmative to a question by Mussolini as to whether there was any German inclination to negotiate with France direct, and had pointed out that Germany had, in fact, already attempted to do so with the result that it was precisely on this issue that Daladier fell.³ Suvich believed he had understood the Reich Chancellor to be referring, in this connexion, to the Four Power Pact;⁴ however, he had no more precise details. The Reich Chancellor had, with regard to this subject, hinted at the possibility that the latest French policy might divide Britain more and more from France and automatically bring her to the side of Germany and Italy. In this respect Mussolini had shown a more sceptical attitude. (I should like to add to this that this possibility is in fact being borne in mind in the [Italian] Foreign Ministry.)

(2) *League of Nations.* Suvich confirmed what Mussolini himself

² See document No. 4, footnote 5.

³ Minister President Daladier had resigned on Feb. 7, 1934, in consequence of the serious rioting which had occurred in Paris the previous day.

⁴ For the Four Power Agreement of Understanding and Cooperation initialled in Rome on June 7, 1933, see vol. I of this Series, document No. 292.

had already conveyed to me as being the outcome of the conversations, that is to say, that the Reich Chancellor had clearly rejected a return to Geneva at present, but had promised to reconsider this attitude provided Germany's equality of rights on the lines of the familiar German demands were to be previously recognized and guaranteed, not only in theory but also in practice. As emphasized in my report—I 674—of the 8th of this month,⁵ the Italians certainly desire that, in such a case, Germany's prospective return to the League of Nations should be effected before the reform of the League as envisaged by Mussolini was begun, since the Italians were hoping to carry through this reform only with Germany's cooperation. Suvich especially endorsed this opinion. Actually no significance need be attached to this point of view at the moment, inasmuch as the prerequisites for Germany's possible return to the League of Nations are just now neither present nor expected to arise.

(3) *Russo-French Pact Policy*. It also appears from Suvich's statements that Mussolini has serious doubts regarding the Russian initiative,⁶ supported or suggested by France, and approves of our attitude. I have taken the opportunity to point out, particularly with reference to telegram No. 164 of the 8th of this month,⁷ that we have in no way shown a completely negative attitude to the Russian proposal, but, while recognizing certain features which corresponded to our own policy, we have raised objections to those points in the proposal which were unacceptable to us.

(4) *Austria*. Suvich repeated the five points which had been put forward by Germany as a basis for the solution of the problem, i.e.:

- a) The *Anschluss* is not an immediate aim of Germany's policy.
- b) The National Socialist Movement must, in some form or other, take part in the Government.
- c) At the head of the Government there must be a personage who has not been involved in the recent conflicts.
- d) The provisional Cabinet thus set up must proclaim an election.
- e) After this an agreed German-Italian policy with regard to Austria is to be envisaged.⁸

According to Suvich's account Mussolini had replied to this that such a programme could be considered only after a period of peace had set in, as there could hardly be any thought of negotiating under the present conditions of conflict in Austria. After all, Dollfuss, who, incidentally, was anything but anti-German and urgently desired an

⁵ Not printed (7467/H181239-49). In this report Hassell gave a detailed account of the Italian foreign political situation on the eve of the Venice meeting.

⁶ See vol. II of this Series, Berlin circular telegram of June 7, 1934.

⁷ See vol. II of this Series.

⁸ See document No. 7 and footnote 1 thereto.

understanding with the Reich, could not be blamed for defending himself by all available means, and, in view of the methods of fighting used against him, was not inclined to take the initiative in starting negotiations.

Despite this still evident divergence of opinion, it also emerged from Suvich's statements that the full explanation given by the Reich Chancellor of Germany's attitude to the Austrian question had been extremely useful.

With regard to the results of the meeting as a whole, Suvich confirmed that the impression the Reich Chancellor had made on Mussolini had been extremely good. Mussolini had very quickly recognized the sincerity and reliability of his personality as well as the clarity and resoluteness of the policies pursued by the German Führer and felt complete confidence in him. This was an extremely important result for the political work of the future. Mussolini expressed himself on similar lines to me and said, particularly after the second conversation, that the Reich Chancellor and he had talked together as comrades. According to what Signor Suvich told me, Mussolini was particularly impressed by the warmth with which the Reich Chancellor spoke of the Reich President and of his relations with him.

It has been stated by the Foreign Ministry that there are no records of the two conversations available and that in assessing the result they had to rely on the oral and somewhat sketchy statements which Mussolini made to members of his *entourage* after conclusion of the discussions. From these the Palazzo Chigi has rightly concluded that the problems which at present take first place in high policy had been discussed in an informal manner not subject to any definite agenda, and that, strictly speaking, no agreements whatever had been concluded. As was particularly emphasized at the same time, the Italians for their part had never expected that any special agreements would be reached at the meeting. The main purpose had been the personal contact between the two Leaders and this had been fully achieved. On the strength of mutual personal impressions, an association of trust had been formed between the two statesmen in the course of the meeting, which meant that even delicate problems like the Austrian question could be discussed with complete frankness. This in itself was a great achievement, as the two leading personages were now entirely clear as to the motives and aims of each other's policy and could more easily reach an understanding on those questions in respect of which there were at present still divergences of opinion. The most significant result was to be seen here in the creation of these personal relations of trust. It was now a matter of further consolidating these relations of trust by intelligent and frank cooperation between the interested Government departments too, and of turning it to good account for even more effective concerted action between the two countries. The

Venice meeting would yield good results if we could maintain the particularly favourable atmosphere which had now been created, carry out practical political work in it, and as far as possible avoid discord.

Undoubtedly the general impression of the Venice meeting gained in the Foreign Ministry has been correctly reproduced in this account which originates from official quarters. It does indeed also embrace the essential point about the result of the meeting which, in fact, lies not in any agreements on pending political questions but in the personal sphere. Accordingly, and rightly so, nothing that happened during the Venice meeting made such a profound impression as did Mussolini's speech to the many thousands of people in St. Mark's Square,⁹ in which he closely associated the German Führer with himself ("Hitler and I") and referred to the eminently peace-promoting aims which the two Heads of Government were pursuing.

The Foreign Ministry dissociate themselves from the much too detailed press accounts which are to a large extent based on irresponsible speculation or wrong information. Even Virginio Gayda,¹⁰ the man in the special confidence of the Foreign Ministry, is being criticized for his leading article in the *Giornale d'Italia* which he wrote on the strength of his personal impressions gained at Venice, and it is said that this time he did not proceed with his usual impartiality and precision but went too far and had in part even reported factual inaccuracies (such as alleged final abandonment of Upper Silesia [*sic*] as part of the result of the talks). However, I should not like to say how genuine this criticism is. It may be concluded from some things, for example also from information given to the Venice press by Suvich and Ciano, that, at first at any rate, there was a tendency to give the Venice results a rather more definite form than the facts warranted. Incidentally, the press reports, which are excellent in general tone but which cannot be checked as regards details, and, above all, the comments in foreign newspapers some of which simply abound in sensationalism, have, together with the reserve maintained by the Foreign Ministry on the outcome of the meeting, led to the Diplomatic Corps here being unusually eager for information as is shown by the numerous visits from my colleagues.

As to the question itself, I can only commend most urgently the suggestion, emanating from a source particularly well-disposed towards us, that we should do all we can to maintain as far as possible the feeling prevalent throughout the country, which is very much in our favour. What I have in mind especially is the undoubted desirability of our discontinuing the, at times lively but quite superfluous, press

⁹ On June 15.

¹⁰ Italian journalist, editor of the *Giornale d'Italia*.

polemics on the pre-eminence of Fascism or National Socialism as regards the structure of the State (for example corporative organization), and on questions of religion and race, which have caused a good deal of bad blood. In compliance with this suggestion the Italians on their side have expressed their readiness to make every effort to suppress unfriendly remarks about Germany made either orally or in print, provided German opinion adopts a corresponding attitude.

A special report will follow on the Italian press accounts of the Venice meeting.¹¹

HASELL¹²

¹¹ Not printed (5739/H030306-09); this was report I 750 of June 21.

¹² The document here printed is marked "The Chancellor is informed L[ammers] July 2." Another copy (8046/E578385-92) bears the following note: "Herr Lorenz, for information. After discussion with D[irector, i.e., Köpke] the report should for the present be forwarded only to Vienna, drawing attention to the discrepancy regarding the Austrian question. R[enthe]-F[ink], June 28." A copy of the document here printed was accordingly sent to Vienna on June 30 (5739/H030305), Köpke adding that it was not intended to make this discrepancy the subject of discussion.

No. 27

9356/E662912-14

The Minister in Yugoslavia to the Foreign Ministry

Cypher Letter

SECRET

G 75

BELGRADE, June 22, 1934.

Received June 28.

II Balk. 1540 Js.

On my meeting the King at an official function recently, he asked me to visit him again one day, as he would like to hear my views on various matters. The audience, which I subsequently requested, was granted today.

The King began our conversation, which lasted for nearly an hour, by expressing his regret at having missed Reich Minister Göring's visit to Belgrade, the more so as he had heard on all sides what an agreeable impression Göring had made here.¹ He then enquired about internal developments in the Reich, mentioning the Vice Chancellor's Marburg speech.² The King showed great understanding for my explanations, which were to the effect that naturally divergencies of opinion were inevitable in carrying out so comprehensive and so profound a reconstruction as was taking place today among the German people, but that the Führer's decision was today regarded as absolutely inviolable

¹ Göring had visited Belgrade May 16-17.

² A speech by Papen at Marburg University on June 17, 1934, was widely interpreted as an attack on the Nazi régime. For the full text see Document Papen-11, printed in *Trial of the Major War Criminals before the International Military Tribunal* (Nuremberg, 1947-1949), vol. XL, pp. 543-558.

everywhere in Germany. The King fully agreed with me when I pointed out, in addition, that no such divergencies of opinion in fact existed in matters of foreign policy, but that the majority of people stood solidly behind the Führer in the pursuance of his aims. Here the King interrupted me to remark that in this absolute power of the Chancellor's in foreign policy, which had been so signally made manifest by the German people's acceptance of the German-Polish Agreement,³ he also saw hope for a direct German-French understanding too. He had been very pleased to learn from Jevtić,⁴ on the latter's return from Paris,⁵ that the inclination there towards a direct understanding with Germany was once more gaining strength. He considered this to be the only right way; as a rule, mediation by third parties merely complicated the situation.

The King then enquired about the results of the Venice meetings, especially concerning the Austrian question. I replied in accordance with your instructions on language to be held in telegram No. 63 of June 16,⁶ and, in respect of Austria, confined myself to stating that this burning question had naturally also been the subject of a frank exchange of views. I did not know any details of the substance and outcome [of the conversations], but was quite sure that our attitude to this question was still the same as when I was working in the Foreign Ministry; we had no intention whatever of interfering and, in view of present international commitments, we did not regard the *Anschluss* question as immediate, but we understood Austria's independence to mean that the German people in Austria were free to rule themselves. The King emphatically agreed, and then asked me for my views on the scope of Legitimist aspirations in Austria. Following the instructions contained in your despatch, II Oe. 1205, of May 14, 1934,⁷ I stated that the aspirations had recently revived and summed up my views to the effect that the revival of Legitimism was the necessary consequence of the oppression of the National Socialist movement in Austria. In reply to the King's remark that the Little Entente had just now again renewed its veto on restoration,⁸ I said that Legitimist groups were probably hoping they might yet succeed in obtaining the protection of a Great Power, and that, as past experience had shown, eventually a *fait accompli* was more readily accepted than turned into a *casus belli*.

The conversation then turned to personal matters.

³ Of Jan. 26, 1934. For the text see vol. II of this Series.

⁴ Bogoljub Jevtić, Yugoslav Foreign Minister.

⁵ Jevtić had been on an official visit to Paris June 10-13; reports on this visit have been filmed on Serial M2.

⁶ Document No. 10.

⁷ See vol. II of this Series.

⁸ The tenth meeting of the Council of the Little Entente was held in Bucharest June 18-20. According to the published communiqué, the decision to oppose a Habsburg restoration by the appropriate measures was reaffirmed. See also document No. 41, footnote 3.

The King did not touch upon Barthou's⁹ impending visit or the French plans to create fresh regional pacts. When I took my leave he once more expressed his satisfaction over the basis for economic cooperation between Yugoslavia and Germany which had been created by the Commercial Treaty.¹⁰

VON HEEREN¹¹

⁹ The French Foreign Minister arrived in Belgrade on June 24. See document No. 39.

¹⁰ See document No. 23.

¹¹ The document is marked: "The Chancellor is informed, L[ammers], July 2."

No. 28

7467/E181304-07

The Ambassador in Great Britain to the Foreign Ministry

Telegram

No. 171 of [June] 22

LONDON, June 23, 1934—3:05 a.m.

Received June 23—6:30 a.m.

II Abr. 1752.

For the Foreign Minister and the State Secretary exclusively.

At the private luncheon I had with MacDonald today at the home of a mutual acquaintance I found the Prime Minister in an extremely bitter mood about Germany.

We discussed chiefly two subjects: transfers and disarmament.

With regard to the transfer question MacDonald stated he had received a report a long time ago from an absolutely reliable source . . . (group mutilated) that Germany would systematically try to get rid of her external debts by deliberately causing increasing difficulties and defaults in her interest payments, thus steadily reducing the quotations for the German external loan so as to enable her in part to buy up these loans cheaply or in the end to render them quite worthless. He had given no credence to these reports and had refused to believe Germany capable of such manœuvres. Now he was being daily reproached for his all too great trust in Germany and was constantly hearing of cases of truly pro-German people who had confidently invested their savings in German securities and who were financially ruined and bitterly regretted their former pro-German leanings. He himself had to admit that after the suspension of interest payments on the Reich loan was announced he, too, had to some extent lost his confidence in the honesty of Germany's financial policy. He asked me to take these statements not as coming from a Prime Minister but as those of a friendly private person, and he requested me not to report them to Berlin. I protested vigorously against MacDonald's views and explained the position in detail, it seemed to me with a certain degree of success. Nevertheless

the fact, as known from my reports,¹ naturally remains that the suspension of interest payments on the Reich loan has dealt a heavy blow to our position here in official circles and public opinion. I concluded this part of the conversation by pointing out that we were prepared to enter into negotiations and appealed to MacDonald that the British Government should adopt such an attitude in these negotiations as to render a solution possible. The Prime Minister, for his part, intimated an ardent desire for an agreement, remarking that, even after the sad discoveries he had made with regard to the German course of action in financial matters, he by no means desired an exacerbation of the atmosphere through unilateral British action.

I then asked MacDonald what he had actually meant when he had said in his two most recent pronouncements on foreign policy² that Germany must make her contribution towards a solution of the disarmament question and I expressed the greatest surprise at such statements in view of our extensive concessions.

The Prime Minister replied he had meant by this that Germany, through her general conduct, would have to give the world to a greater extent than hitherto the impression of a generally peaceful attitude and would have to allay the suspicion, which was steadily growing everywhere, that it was her sole intention first to rebuild a strong army without interference and then to pursue violently the achievement of her aims with such an army. Thereupon, with some vehemence, I drew the Prime Minister's attention to the German-Polish Declaration,³ to our recently declared willingness also to conclude a non-aggression pact with Belgium,⁴ to our renunciation of Alsace-Lorraine and to the many peaceful declarations by the Reich Chancellor, and I asked the Prime Minister what more Germany could have done than to furnish these numerous conclusive proofs of her readiness for peace. I also drew attention to the German-British negotiations on the disarmament question⁵ and to the fact that there were hardly any divergencies of opinion left between Germany and Britain as well as the majority of the other European States on the disarmament question and I emphasized that the failure of the convention was due solely to France's attitude. Here, too, I had the feeling that my statements had not failed to make an impression on MacDonald, as the Prime Minister seemed, on the whole, to object not so much to our positive ... (group mutilated) in particular as to Germany's attitude in

¹ See *inter alia* documents Nos. 12 and 21.

² In a speech at Easington Colliery on June 14, MacDonald, referring to disarmament, had said: "We expect something more from Germany than she has given us up to now." In a message to the National Peace Congress at Birmingham on June 22 he had referred to German responsibility for delay in achieving a disarmament convention.

³ The German-Polish Declaration of Jan. 26, 1934; for the text see vol. II of this Series.

⁴ See vol. II of this Series, London telegram No. 141, sent May 27, 1934, and the present volume, document No. 47.

⁵ See vol. II of this Series, *passim*.

general, which obviously appears to him bellicose. I gained the impression that apparently the circles desiring speedy and strong British rearmament are exerting great pressure on the Prime Minister with the argument of a German danger and that, at the same time, the charge is made against him that he was mistaken in trusting Germany and must rectify the mistake he has made. In this connexion it struck me as significant that he asked me how many military aircraft we already had and to my reply that we did not possess any military aircraft yet but merely wished to possess some he replied, with a gesture of disbelief, that Britain was simply being pushed into a strong rearmament in the air. In view of the feeling of aversion which, judging by his whole attitude, MacDonald has towards all rearmament measures his uneasiness about the decisions with which he is faced is understandable.

The Prime Minister concluded with the remark that in this respect also he was not speaking to me thus frankly as a Prime Minister but merely as a friendly private person and certainly not at the prompting of any anti-German feelings on his part. If there was a country besides his native land which figured predominantly in his affections it was Germany and he found it all the more depressing to have doubts as to whether he was not mistaken in his trust of Germany.

I should like in this telegram to take the opportunity of pointing out once again that the expected extremely unfavourable repercussions of the suspension of transfer payments on the mood here are already manifesting themselves in other ways as well. This alleged breach of formal obligations is generally causing doubts here about German reliability and trustworthiness which are also having an effect on the attitude to the disarmament question. I must confirm, therefore, that a stiffening in the general attitude here towards Germany has recently set in.⁶

Hoesch⁷

⁶ In telegram No. 175 of June 23 (7467/E181310-14) Hoesch further discussed the British political situation and MacDonald's view of the international situation: his bad health and the defeat of his policies had embittered him, especially against Germany.

⁷ Another copy of this telegram (9616/E678729-32) is marked: "The Reich Chancellor is informed. L[ammers], June 27."

No. 29

9252/E654581-83

The Foreign Minister to the Embassy in Great Britain

Telegram

URGENT

IMMEDIATE

No. 177

BERLIN, June 23, 1934—5:00 p.m.

e.o. W 5021 I.

For the Ambassador.

You are personally to inform the British Government as follows:

(1) In accordance with suggestions from both sides¹ we are prepared to send a delegation to London. The delegation is composed of Ministerialdirigent Berger from the Reich Finance Ministry, Senior Counsellor Ulrich from the Foreign Ministry and Herr Blessing from the Directorate of the Reichsbank. It will leave here on Monday evening.

(2) The basis for the negotiations is the statement in the Note from the British Embassy here of June 14² "that His Majesty's Government will be prepared not to apply this legislation if a satisfactory agreement ensuring fair treatment to British bondholders and to British commerce can be negotiated before July 1st next", a statement which Mr. Neville Chamberlain has also made in the House of Commons.³ The emphasis here is to be put on the "fair treatment".⁴ The "fair treatment" must, of course, be fair to both sides. You should, at the same time, mention casually that the statements which Leith-Ross recently made to Prince Bismarck⁵ could not be regarded by us as "fair treatment", especially not in respect of the following point: the only possibility of enabling a debtor who is in transfer difficulties to make transfers consists, as is generally acknowledged, in the willingness of the creditor to buy more goods from the debtor. But Leith-Ross has turned this round and is demanding that the debtor should buy still more goods from the creditor.

(3) You should, furthermore, express the German Government's regret that the British Government have arranged the negotiations under pressure of a British Parliament Bill and are threatening sanctions. If, nevertheless, the German Government are still prepared to enter into negotiations it is for the reason that they feel quite free from such pressure and fully reserve their decisions in the case of sanctions.

(4) You should include a member of the Embassy staff in the delegation.⁶

NEURATH

¹ See footnote 2 below, also documents No. 21 and 28.

² Note 206 (29/165/34) of June 14 from the British Embassy (7264/E532841), announcing the British Government's intention to set up a Clearing Office. The extract here transmitted to London is in English and omits a part of the sentence in the Note between "His Majesty's Government" and "will be prepared . . ." which reads: "intend shortly to propose legislation which will enable them to set up a Clearing Office, but that they . . ."

³ See document No. 9, footnote 3.

⁴ The words "fair treatment" throughout this telegram are in English in the original.

⁵ See document No. 21, and footnotes 1 and 4 thereto.

⁶ A copy (9252/E654583) of the document here printed was sent to the Reich Finance Ministry and to the Directorate of the Reichsbank.

No. 30

8731/E609975-77

*The Director of the Economic Department to the Legations in
Argentina, Brazil, Uruguay, Colombia and Ecuador*

Telegram

IMMEDIATE

BERLIN, June 23, 1934—8:30 p.m.¹
e.o. III MS 1934.²

- (1) To Buenos Aires No. 56
- (2) To Rio de Janeiro No. 56
- (3) To Montevideo No. 15
- (4) To Bogotá No. 22
- (5) To Quito No. 8

With reference to our telegram:²

- To Buenos Aires No. 49
- To Rio de Janeiro No. 47
- To Montevideo No. 13
- To Bogotá No. 20
- To Quito No. 7

1. The delegation consists of the following members: Ministerialdirektor Minister Kiep as leader of the delegation, Ministerialrat Imhoff, Reich Ministry of Economics, Oberregierungsrat Nelson, Reich Ministry of Food, Reichsbank Director Hechler, Reichsbank, Counsellor Kroll, Interpreter Frowein.

2. The following are supplementary remarks on the task of the delegation: Germany is about to make important decisions on the future apportioning of imports of raw materials and colonial produce. Statutory measures have already been taken which provide for the transfer of [orders for] imports of raw materials and important colonial produce to those countries which are able to make concessions to German exports. It is therefore not the task of the delegation to negotiate only on specific German complaints or each country's specific demands. The delegation should rather examine all possibilities of fostering commercial relations with South American States on a long term basis. If concessions of equal value, capable of being put into practice and not merely paper [promises] are made, we are prepared to guarantee to the South American countries fixed and possibly even increased quotas in supplying the German market with such raw materials and colonial produce as may be involved.

¹ The telegram to Quito was despatched at 9:25 p.m.

² This telegram of June 11, 1934 (8731/E609965-68) informed the Missions concerned that a delegation would be sent to South America to conclude agreements to promote German exports and to overcome foreign exchange difficulties. A minute on this telegram stated that the Chilean Government were already informed of the despatch of the delegation.

For (1) only. In the case of Argentina, wool, hides and skins, oil-seeds and oil fruit, possibly also maize and, depending on the harvest, also wheat, are involved. The negotiations will also deal with the following questions: the settlement of foreign exchange difficulties, clarification of statistical differences, unfreezing of frozen debts and, under certain circumstances, also a revision of the Trade Treaty.

For (2) only: Regarding Brazil, the coffee question is in the foreground, while the satisfactory settlement of foreign exchange quotas and unfreezing of frozen debts are also necessary.

For (3) only: As regards Uruguay, wool, hides, skins, oil-seeds and oil fruit are involved, while the satisfactory settlement of foreign exchange quotas and unfreezing of frozen debts are also necessary.

For (4) only: Negotiations have meanwhile been started with the Colombian Minister here³ on the reorganization of German-Colombian commercial relations. Their progress up to the present gives hope of an agreement [being reached], also on the future participation of Colombia in the import of coffee.⁴ It is therefore possible that the delegation may not be sent to Colombia.

For (5) only: Regarding Ecuador, the question of future imports of cocoa as well as the unfreezing and possible revaluation of frozen assets will be in the foreground.

For 1-5: In view of the urgent need for us to reach a decision on future imports of raw materials and foodstuffs the delegation will have to strive for the quickest possible agreement, naturally without neglecting considerations of a tactical nature. Should the other side show no understanding for our position unilateral German measures will be unavoidable.

You should inform the Government to which you are accredited of the composition of the delegation and the programme for the negotiations on the basis of the above remarks and the instructions contained in our previous telegram.

RITTER⁵

³ Rafael Obregón Arjona.

⁴ Further material on the negotiations with Colombia has been filmed on Serial K908.

⁵ For the outcome of the Delegation's visit to South America, see document No. 492 and footnote 3 thereto.

No. 31

7466/H178721-35

Senior Counsellor Frohwein to General Schönheinz (Reichswehr Ministry)

IMMEDIATE

CONFIDENTIAL

BERLIN, June 23,¹ 1934.

e.o. II Abr. 1738.

DEAR GENERAL: As arranged, I am enclosing, with his approval,

¹ Despite this date the document is marked as having been despatched on June 22.

three memoranda by Herr von Ribbentrop on his conversations in Paris.² I assume that you will also submit these memoranda to the Reichswehr Minister.

With kindest regards,

Yours etc.,

FROHWEIN

[Enclosure 1]

MEMORANDUM ON THE CONVERSATION BETWEEN HERR VON RIBBENTROP
AND THE FRENCH FOREIGN MINISTER, BARTHOU³

After a dinner with M. Buneau-Varilla, the owner of *Le Matin*, I went for a long walk with Barthou. He began the conversation with an explanation of his Geneva speech, which he said had been reproduced in Germany in a somewhat distorted form and had certainly been misconstrued by the press.⁴ Barthou mentioned in particular that he had never said Prussia's national industry was war but that he had merely said he could not imagine that Germany meant to adopt the course that Mirabeau had once described in this way. At any rate, nothing had been further from his mind than to use hostile language towards Germany. I told M. Barthou that I would certainly be pleased to convey his explanation to the Chancellor.

Barthou asked me what I thought of the present situation. I replied that, in my opinion, relations between the two countries could not be improved until France had rid herself completely of a psychological error. This had its origin in the Versailles Treaty and was due to France having got used to the idea that her greatest neighbour was powerless. This fantastic state of affairs was, of course, abnormal and had never before been known in history. Once French public opinion and also the rulers of the country had got down to realities again it would probably be easy to reach an understanding on a rational basis. Barthou fully agreed with me in a way that almost surprised me. He then said that he could not speak as frankly about everything today as he would like to. He would be able to do so only in a few weeks' time, that is to say immediately after his visit to South East Europe. I asked him whether, from the point of view of German-French relations, there was anything special about his visit, to which he replied vaguely that he would have to obtain further information and that he would like to see me again at the beginning of July so that he could then have an official and perhaps very useful discussion with me on the relations between our two countries.

The conversation then turned to François-Poncet's observations

² The memorandum (7466/H178730-33) recording Ribbentrop's conversation with Doumergue on June 18, which formed enclosure 2 to this letter, is not printed.

³ This conversation took place on June 16; see *Le Figaro* of June 18.

⁴ See document No. 4 and footnote 2 thereto.

regarding a possible Eastern Pact,⁵ as well as to Litvinov's visit to Berlin.⁶ When I told Barthou that I was informed about these projects, Barthou interjected at once that they were not projects but rather "general considerations". Moreover, I noted during this part of the conversation that Barthou, perhaps intentionally, was representing these plans as being extremely vague. I told him that we would, of course, carefully study any suggestions which would serve to promote peace but that, like any other country, we would consider ourselves entitled to do so primarily from the point of view of Germany's security as, owing to our armaments situation, our security was more precarious than that of any other country. We then touched briefly upon a Russian guarantee of Western Locarno.⁶ I explained to Barthou that Locarno was an important factor in Germany's security and that France, as well as we ourselves, admittedly welcomed having Britain and Italy as guarantors, but that the addition of a new guarantor would basically change the whole Locarno system and would certainly not improve it. Barthou passed over this point with a gesture which appeared to me to indicate that, from the outset, he had not taken this guarantee of Western Locarno particularly seriously. Passing on to the Eastern question I told him that we had settled certain differences between Germany and Poland by the ten-year Treaty⁷ and that it was our intention to continue to foster these relations and constantly to improve them, and that we would, in any case, bring about a solution of all problems between the two countries in a peaceful and friendly spirit. It must undoubtedly have become evident to the world through the Treaty with Poland that the Chancellor was seeking to follow the path of peace. Besides, we had already often declared ourselves willing to conclude mutual consultation agreements and declarations on the renunciation of the use of force with various countries.

As far as pacts for mutual assistance were concerned, I told Barthou that, considering the position Germany was in, these would hardly be compatible with her security as, under such agreements, she would automatically be forced to take an active part in disputes between any of the Eastern [European] countries.

When mentioning Russia, and the possible extension to Russia of the mutual assistance pacts, we spoke of the disparity between the ideologies of National Socialism and of Bolshevism, as well as of the difficulties arising therefrom for mutual assistance pacts. Barthou interjected that surely the Russians had changed their ways and said that their propaganda in France had ceased completely. I replied that I had myself, alongside the youth of our country, fought the

⁵ See vol. II of this Series, Berlin circular telegram of June 7, 1934.

⁶ See vol. II of this Series, memorandum by Neurath of June 13, 1934.

⁷ Of Jan. 26, 1934; for the text see vol. II of this Series.

Communists in Germany for years, that France was farther away from Russia, and that therefore we in Germany were perhaps in a better position to know how dangerous the Bolshevik infection was. I noticed again during this part of the conversation that all these pact plans were still rather vague.

As regards the Russian problem in France the situation seems at present to be that the General Staff and the Herriot group are advocating a pact with Russia, whereas public opinion is still very anti-Russian.

Barthou then spoke of the Saar. He said that he had got on very well with Consul Krauel⁸ and that the excellent and loyal cooperation between them had led to an amicable solution of the problem of the Saar plebiscite. In this connexion Barthou referred to the conversation I had with him in March of this year⁹ when he assured me that he wished to reach an understanding with Germany. He had now made a start with the Saar plebiscite. It was important, however, that no incidents should occur in the Saar territory before the plebiscite and that it should, in fact, take place in a fair and peaceful manner. If pressure were brought to bear on the Saar population from any quarter it was possible that the date of the plebiscite would have to be postponed and this would cause fresh differences between our two countries. Barthou said he had no illusions about the outcome of the plebiscite, for he was fully aware that Germans lived on the banks of the Saar.

If the plebiscite was carried through calmly and without unnecessary aggressiveness on either side this would make an enormous impression in France and also cause those Frenchmen who were maintaining that no agreements could be made with Germany to change their minds.

I replied that I thought it could be taken for granted that the plebiscite would proceed in compliance with present agreements and that there could not be the slightest doubt as to the result of the plebiscite, that is to say, that it would be unanimously in favour of Germany. Barthou did not contradict this; but in the course of the conversation he spoke again of the great importance of a peaceful Saar plebiscite as a symptom for further improvement in German-French understanding.

I then asked Barthou why, in the Note of April 17,¹⁰ and at a time when it looked as if the disarmament negotiations would soon lead to the conclusion of a convention, he had so abruptly wrecked the negotiations. I was asking this question deliberately as I knew that Barthou had wanted to send a very different note from that inspired by Tardieu.¹¹ At this point Barthou made a gesture as if he wanted to say something

⁸ Dr. W. Krauel, German Consul at Geneva.

⁹ On Mar. 4; see vol. II of this Series, Paris telegram No. 334 of Mar. 7.

¹⁰ See document No. 4, footnote 7.

¹¹ André Tardieu, Minister of State without Portfolio.

on the spur of the moment. He settled down again, however, and merely said that the figures in our defence budget were the cause of it all.¹² In addition to our army appropriations, our budget furthermore showed various obscure items which gave rise to thought. When I denied this and retorted that this budget, the figures of which had, in any case, already been known for some considerable time, could not be advanced as a serious reason for the French Note to Britain, Barthou ignored this and only said that some way would simply have to be found for reaching an understanding between the two countries on the rearmament question.

I then told Barthou that the Chancellor had already on three or four occasions quite clearly expressed his sincere desire to come to an understanding with France. France's reaction to this, however, had so far not only been poor but, to all intents and purposes, absolutely nil. But it took two to reach agreement and I, for one, regretted very much that there was so little understanding for us in France. Barthou frankly agreed with me that the Chancellor had made several generous gestures towards France. Suddenly he took hold of both my arms and said, apparently quite spontaneously: "Please, Herr von Ribbentrop, look me straight in the face and believe me when I say that I have a deep understanding for the Chancellor and believe in his sincerity. I, too, have the most ardent desire to achieve agreement with Germany." I replied that this was an important statement which I would convey to the Chancellor. I, too, was absolutely and completely convinced of his goodwill. When I casually remarked that it was really a pity he could not tell the Chancellor this himself, Barthou answered very animatedly that he would very much like to have a talk with the Chancellor one day. When, in view of my conversation with Barthou in March, I did not particularly insist, Barthou became even more animated and suggested that it might be possible to arrange such a meeting in the summer or sometime during the autumn. He had heard that a Wagner Festival under the direction of Furtwängler would be held in Berlin in the autumn. Perhaps a meeting could be arranged for this occasion. It would have to be done in such a way, however, that the public was if possible not informed of the meeting until it had actually taken place. I told him that, provided there was goodwill on both sides, something could probably be arranged and Barthou asked me to keep in touch with him on this point in the near future.

I added a reminder that I had already suggested such a meeting in March, whereupon Barthou more or less said that the whole situation was, after all, somewhat different now.

¹² See *Reichsgesetzblatt*, 1934, Pt. II, pp. 121-138. See also vol. II of this Series, Berlin telegram of Apr. 5, 1934, to London, Paris, Rome and Washington.

When the conversation turned to economic questions, especially that of the transfer problem,¹³ I pointed out to Barthou that Germany was at present simply not in a position to effect interest payments on her debts. We expected France to realize this and not to adopt any measures which would cause relations between our two countries to deteriorate.

We then spoke about several other questions. The conversation, which Barthou apparently endeavoured to conduct in a very friendly way, concluded with my telling him that an understanding could always be reached with Germany on a basis of absolute equality of rights, if things were not expected of my country which, if the case were the other way round, no decent Frenchman would ever accept for France. Barthou immediately agreed with me.

After Buneau-Varilla had joined us on our walk, we also spoke briefly of Geneva. Buneau-Varilla thought the finest gesture in the cause of peace would be our return to Geneva. When at this stage I was about to give an explanation of our negative attitude, Barthou said he understood very well that we could not now simply return to Geneva straight away and added at the same time that he would like to discuss all these matters at the beginning of July, that is, as he emphasized particularly, *before* his visit to England. I told him that I was available for such a discussion at any time he desired.

Mention should also be made of the following as an interesting point. At the time of M. Buisson's stay in Berlin¹⁴ a conversation was arranged between M. Buisson and Reichswehr Minister General von Blomberg. When, however, the substance of Barthou's Geneva speech became known the Reichswehr Minister, in agreement with myself, refused to receive M. Buisson because of the offensive tone of the speech in respect of the Prussian army. Buisson has talked about this in Paris and this has apparently had some effect, for Barthou raised the subject twice.

The conversation is recapitulated in the above version exactly as it took place. The object of the conversation was primarily to explain again the German attitude and to obtain information about the present views in France. It goes without saying that Barthou's statements

¹³ See Editors' Note, p. 16.

¹⁴ In an undated memorandum (3650/813444-45) which reached the Reich Chancellery on June 1, 1934, Ribbentrop recorded *inter alia*: "Buisson, President of the Banque du Commerce et de l'Industrie, who called on me today, is an intimate friend of Barthou and apparently also of Doumergue. The latter have to all appearances sent him here more or less to take soundings. As I was able to ascertain, President Buisson has indeed considerable influence on leading members of the Government and may be assumed to be one of the principal confidants of the French Cabinet. I told him of the bad impression which Barthou's speech had made here and that it had particularly offended our military people such as General von Blomberg. I then arranged with General von Blomberg, on whom I had intended to call today with President Buisson, that this visit should not take place, because, apart from everything else, it would be tactically useful if President Buisson informed M. Barthou, after his return, of the effect of Barthou's speech on Blomberg."

as repeated above must be assessed with due scepticism. One thing however, seems likely to me, namely that the French Foreign Minister is at present to some extent desirous of reaching understanding with Germany. How long he will be so disposed and, moreover, whether the conversation planned for the beginning of next month will produce anything definite in respect of an understanding and also prove constructive, remains to be seen.¹⁵

[Enclosure 3]

BERLIN, June 21, 1934.

VISIT TO M. LÉGER, THE SECRETARY GENERAL AT THE QUAI D'ORSAY

Shortly before my departure I paid a courtesy visit to M. Léger. He very soon came to speak of the question of the Eastern Pact and told me the following:

It would be wrong to suppose that this was a question of plans which had originated in Litvinov's mind. It was specifically a French plan for the organization of Europe's security and more besides.

M. Léger said that about six months ago the Russians had approached the French and had made an offer of an alliance between France and Russia on any terms. France had rejected this plan, since she did not wish to do anything which might even appear to be directed against Germany or liable to prejudice the understanding between the two countries.

On the Russians continuing to insist, the plan of a general security system in the East had occurred to the French. It was now intended to endeavour to translate this plan into reality.

M. Léger would very much regret it if Germany were to adopt a negative attitude to these plans, for France would then definitely conclude a pact with Russia on her own. I replied that I did not follow why, if France desired an understanding with Germany, she had to go about it in such a roundabout way with alliances or mutual assistance pacts etc.

With reference to all the Eastern Pact plans, I replied with our well-known arguments that my Government would, of course, most carefully consider any plans for promoting security but were somewhat averse to such plans for mutual assistance etc.

There is nothing to report on the remainder of the conversation which was quite brief, as my train was leaving. The only point of interest is that for the first time it has been clearly admitted here that all the Eastern plans are ideas originating with the French. That Léger should say that if we did not join in they would simply conclude a pact with Russia without us, is somewhat disconcerting and strengthens me somewhat in my assumption that, by placing special emphasis

¹⁵ No record of such a conversation has been found.

on these Eastern questions, the French might be intending to distract our attention from the primary aim of the policy in Britain (cf. General Weygand's visit¹⁶).¹⁷

¹⁶ See document No. 47, footnote 2.

¹⁷ The Missions in London, Moscow and Rome were informed of the gist of Ribbentrop's conversations in Paris by despatch II Abr. 1765 of June 26 (7466/H178740-45), and the Missions in Washington, Brussels, Warsaw and Berne on June 29 (7466/H178746).

No. 32

3154/671102

Memorandum by the Foreign Minister

BERLIN, June 23, 1934.

RM 702.

At yesterday's discussion¹ on the question of Germany's participation in the Naval Conference of 1935 it was decided that:

- (1) Participation in the preliminary conference is out of the question.
- (2) With regard to the plenary conference, we should wait and see whether we receive an invitation. In this case we would participate, without, however, being particularly active. If we do not receive an invitation, then we should not make any particular effort to get one.

V. N[EURATH]

¹ See document No. 25. An undated note in Neurath's handwriting (3154/671101), presumably made during or shortly after the discussion, reads: "I: Preliminary conference: No. II: Full conference 1935: participation Yes, if we are wanted, without regard to Armaments Convention [*sic*]. But no action. Better merely to observe for the time being. Leave question of participation open." No other records of the meeting have been found.

No. 33

3086/618290

Memorandum by the Foreign Minister

BERLIN, June 23, 1934.

RM 703.

The Czechoslovak Minister called on me this morning and informed me in the name of his Government that they were prepared to join the Eastern Pact which Russia had proposed to us. I told M. Mastný that, in the first place, information about a Russian proposal for concluding a pact of guarantee had only been given to us in general terms by the French Ambassador.¹ During his visit, M. Litvinov, when I asked him

¹ In a conversation with Bülow on June 7; see vol. II of this Series, Berlin circular telegram of June 7, and footnote thereto.

about the Eastern Pact, had ascribed its authorship to France without giving any details about it.² M. Mastný wanted to know what our attitude to such a pact would be, whereupon I replied that when we had received a detailed proposal we should be quite prepared to study it. From what the French had communicated to us, it would appear that the progenitors of this pact had a mental vision of a form resembling the pre-war alliances. We did not consider such a system suitable for the preservation of peace. Moreover, under it we should have to undertake obligations which, in our present unarmed state, we could not fulfil. Thus, in any case, a precondition for our participation would be that we could join such a pact as a Power with completely equal rights and armaments. These were, however, only general considerations and we awaited first, as already said, more detailed information about the form and terms of the pact.

V. N[EURATH]

² For Neurath's memorandum of June 13 on this conversation see vol. II of this Series.

No. 34

6114/E454276-73

The Minister in Austria to the Foreign Ministry

Telegram

No. 49 of June 23

VIENNA, June 24, 1934—1 a.m.

Received June 24—2:40 a.m.

II Oe. 1599.

Further to my Top Secret telegram No. 47.¹

Suvich's personal letter to Dollfuss mentioned in my previous report has been handed over to the latter. Minister Hornbostel² has told

¹ Not printed (6114/E454274-75). This telegram was in reply to telegram No. 63 of June 14 (6114/E454273) in which Neurath had instructed Rieth that: "The Reich Chancellor explained his views on Austria to Mussolini in five points, which Suvich subsequently formulated as follows [see also document No. 7]:

- (1) The *Anschluss* of Austria with Germany is not under discussion.
- (2) The Austrian Federal Chancellor must be an independent personage who is not a member of any of the parties which are in conflict at present.
- (3) An election is to be proclaimed so as to enable the Austrian people to express their will freely.
- (4) The Nazis are to be taken into the Government in proportion to the results of the election.
- (5) All matters concerning Austria are to be decided by Germany and Italy in agreement with each other.

The Italians propose to bring the above to the knowledge of the Austrian Government as representing the German view. You should, without betraying your own knowledge, carefully note any possible reactions to this Italian *démarche*." In telegram No. 47 Rieth reported that he had not yet been able to ascertain whether the Italian *démarche* had been made, but had learnt that Dollfuss was expecting a personal letter from Suvich.

² Theodor Hornbostel, Director of the Political Section of the Foreign Affairs Department of the Austrian Federal Chancellery, with the rank of Minister [*Gesandter*].

the Hungarian Chargé d'Affaires, Bessenyey, that it was stated in this letter that the German Reich Chancellor had specifically recognized Austria's independence but had otherwise persisted in his former views and had made a settlement of the dispute dependent on the formation of a Provisional Government, the holding of general elections, and the participation of the National Socialists in the Government in accordance with the results of the elections.

Hornbostel, furthermore, read out to Bessenyey a sentence from Suvich's letter, in Italian, which ran as follows:

"As you can see, the Reich Chancellor abides by his point of view; it is very difficult to find a solution in these circumstances."

Hornbostel concluded from this that the Venice negotiations had been abortive as far as Austria was concerned and that everything remains as before and unchanged. Bessenyey thought it possible that Hornbostel had brought to his notice only that part of the letter which was likely to support this view but had passed other parts over in silence.

The Foreign Ministry's "line" is obviously a pessimistic one. Secretary General Peter³ also told me that nothing had been decided in Venice about Austria and no agreement had been reached, so that he could not as yet see how matters had progressed. He, too, hinted at demands put forward by the Reich Chancellor and mentioned amongst other things that it had been decided in Venice to deal with Austrian affairs by way of agreement between Germany and Italy.

Since, in compliance with your instructions,⁴ I have not entered into any discussions and am appearing to be uninformed about what concrete issues may have been dealt with in Venice as concerning Austria, the conversations I had today with Dollfuss at a luncheon given by the Federal President, and the talks I had with the Secretary General, consisted mainly of hints from their side and of a kind of cautious sounding.

At first the reports from Venice seem to have much discouraged Dollfuss and his *entourage*; now they are apparently trying with Italian assistance to find as favourable a way out as possible. Although both the Ballhausplatz and the Italian Minister⁵ deny Italian mediation, the latter has already had several conversations with Dollfuss, and Peter, too, dropped hints about Italian mediation. I am not yet able to judge what line the Austrians will try to take, but I presume that Dollfuss will try in the first place to maintain his own position. I gather from remarks Dollfuss made to me that he will try to take the line that decisions on Austrian questions are, in the first place, his

³ Franz Peter, Secretary General of the Foreign Affairs Department of the Austrian Federal Chancellery.

⁴ Contained in telegram No. 63, see footnote 1 above.

⁵ Gabriele Preziosi.

business; further, that German attacks on Austria, presumably meaning mainly terrorist activities,⁶ must cease before agreement can be reached.

Hornbostel told the Hungarian Chargé d'Affaires that Dollfuss would call on Mussolini at Riccione during the next few weeks. If this is not just a tendentious report, it is probably so far only the case that Dollfuss wishes to do so.

In conversations with Austrians, I have—and I presume this is in accordance with your wishes—as a rule listened without comment; in face of the pessimism displayed I have, however, given it as my personal opinion that, if the German and Italian Heads of Government wish to solve the Austrian question in agreement with each other, they will succeed in doing so. Peter's reaction to this was a cautious hint that such an agreed solution would, of course, be required if intervention by France was to be avoided.⁷

I have the impression that the Ballhausplatz is still hoping to be able to exploit Germany's and Italy's desire to settle the Austrian dispute, in order to achieve a solution as favourable as possible to the Austrian Government, on the assumption that the latter's cooperation is indispensable if agreement is to be achieved.

RIETH

⁶ In telegram No. 48 of June 22, 1934 (6112/E453467), Rieth transmitted a report from the German Consul at Linz, Langen, stating that the Austrian Security authorities had learned that a consignment of explosives from Germany was due at Salzburg within the next week; Rieth suggested that this consignment be stopped. In telegram No. 50 of June 23, 1934 (6112/E453477), Rieth reported: "I have learnt from a well informed authoritative National Socialist source, that at the instigation of Munich organizations [*Stellen*], very extensive acts of terrorism were due to have begun on June 18 in Vienna and the whole of Austria. The action was countermanded at the last moment and postponed till June 27."

⁷ The text of the document here printed up to this point was repeated to Rome on June 26, as telegram No. 180 (6114/E454282-85), which further stated that the German Government had learnt from a secret and reliable source that, in addition to the official communiqué on his passage through Vienna [on June 19], Barthou had granted a single press interview at which he had stated that the French Government were determined to maintain Austrian independence, as represented by Dollfuss, in all circumstances; the French Minister in Vienna had confirmed the authenticity of this statement.

No. 35

7264/E532867

The Ambassador in Great Britain to the Foreign Ministry

Telegram

No. 176 of June 25

LONDON, June 25, 1934—9:05 p.m.

Received June 25—10:55 p.m.

W 5113.

With reference to your telegram No. 177.¹

¹ Document No. 29.

I first of all carried out the instructions in the aforementioned telegram with Sargent at the Foreign Office today and have also just had a conversation with Chamberlain, the Chancellor of the Exchequer, on the same matter.

To begin with Chamberlain drew attention to the speech which he had made shortly before in the House of Commons on the clearing question, the substance of which I am reporting separately.²

Since, in view of the impending negotiations, Chamberlain's cogent³ statements to me are of no interest, and, moreover, as I have already informed Ritter of them briefly by telephone,⁴ I can omit their recapitulation by telegram. I would only like to stress that Chamberlain has denied that there was any intention whatever to exert pressure and said that the British Government had not intended to do more with their clearing project⁵ than announce and prepare the way whereby they proposed, if necessary, to safeguard the rights of British nationals. For the rest, the Chancellor of the Exchequer forcefully emphasized the British Government's desire to come to an agreement with Germany and their readiness to do all they could to this end.

Hoesch

² In report B 1533 of June 26 (7264/E532902-05). For the text of Chamberlain's statement on June 25 see *Parl. Deb., H. of C.*, vol. 291, cols. 807-813.

³ On another copy of this telegram (5621/E403659) "cogent" was amended to "further".

⁴ No record of this conversation has been found.

⁵ See document No. 36, footnote 2.

No. 36

9238/E649205-06

Minute by an Official of the Reich Chancellery

IMMEDIATE

BERLIN, June 25, 1934.
zu Rk. 5666.¹

By the attached draft law¹ the Reich Minister of Economics, the Reich Minister for Food and Agriculture and the Reich Finance Minister, each for his own sphere of competence, are to be authorized to institute measures of reprisal in the sphere of trade and payments against such countries as subject their trade and payments dealings with Germany to less favourable conditions than they grant to other countries. The reason for this proposed law is the Bill which the

¹ Not printed; Rk. 5666—the number given to a circular of the Reich Ministry of Economics dated June 25 (3598/795686-89) requesting that the draft of a "law on the application of measures for economic reprisals against foreign countries" be circulated for the approval of the Government. A slightly different draft of the law and of the circular had been despatched by the Reich Ministry of Economics on June 23 (9238/E649197-200).

British Government have laid before Parliament² and which would give the British Government far-reaching powers [to take] economic sanctions against countries which suspended or defaulted on their payments. This Bill is aimed primarily at Germany.

The parties of the Left are at present fighting against this Bill in the British Parliament. With the present draft law the Reich Minister of Economics wishes to exert external pressure [*ausserpolitische Wirkung*] on the treatment of the Bill in the British Parliament.³ He therefore requests [its] speedy passage by the circulation procedure.⁴ The Foreign Minister has approved the draft.

There appear to be no objections to its passage by circulation procedure with a short time limit. A few speakers in the British Parliament have already referred to the possible detrimental economic effects for Britain and especially for her colonies.

Submitted to the State Secretary [of the Reich Chancellery].⁵

W[ILLUHN]

² The Debts Clearing Office and Import Restrictions Reprisals Bill was presented to the House of Commons on June 20 and received the Royal Assent on June 28, becoming the Debts Clearing Office and Import Restrictions Act. For the text see *Public General Acts and Measures*, 24 & 25 Geo. V, Ch. 31, pp. 286-292.

³ Marginal note in Lammers' handwriting: "Superseded!"

⁴ A procedure whereby matters requiring the approval of the Government were circulated among the Ministers. If no objections were received at the Reich Chancellery within a given period of time the matter would be regarded as being approved.

⁵ Notes at the foot of this document: "1. The Reich Chancellor is informed. 2. Does the R[reich] Min[ister of] Econ[omics] still attach importance to this law? 3. To the competent official. L[ammers], June 27." "1. Yes [written against point 2 above]. 2. Submitted to the State Secretary. W[illuhn], June 27. Point 2 settled after consultation. W[illuhn], June 27." The draft law was approved at a Cabinet meeting on July 3 (3598/795572-91), and published the following day; see *Reichsgesetzblatt*, 1934, Pt. I, pp. 565-566.

No. 37

9252/E654606-08

The Director of the Economic Department to the Embassy in Great Britain

Telegram

No. 181

BERLIN, June 26, 1934—9:15 p.m.

W 5120.

For the Delegation.

(1) This afternoon I informed MM. Maxime-Robert¹ and Gazel² of the French Delegation³ orally of the proposals discussed with Berger

¹ Of the French Ministry of Finance.

² Armand Gazel, of the sub-department for Commercial Affairs in the French Foreign Ministry.

³ Negotiations with a French delegation on a new commercial treaty had begun on June 23. See also document No. 9, footnote 2.

on Monday afternoon⁴ regarding transfers for the next six months and at their request gave them, unofficially, the contents of this oral communication in writing⁵ to facilitate their reporting. Although the gentlemen stressed that they had no authority to conduct negotiations with us, a lengthy informal discussion ensued, as a result of which I gained the impression that an agreement was not possible on the basis indicated. The gentlemen said, in particular, that the French Government would never agree to a reduction in the interest rate.

During the discussion regarding further possibilities I made the suggestion that the familiar German-French agreement on coal and chemicals in exchange for Registermark,⁶ which in itself would expire in the spring of 1935, should be wholly or in part suspended from time to time and that the amount due for coal and chemicals should be paid in foreign exchange. In this way we could obtain foreign exchange for the transfer payments on the Dawes and Young loans. I had the impression that the French gentlemen will personally take this suggestion into consideration. On the whole, however, I had the impression that there is no readiness on the French side to make any kind of material sacrifice.

With regard to July 1,⁷ I pointed out that in view of the full transfer of the amounts due on June 15 the period up to July 14 is in fact covered. Perhaps this argument can also be used at your end to get over [*Überwindung*] the date of July 1.

(2) The situation in the negotiations with Holland has deteriorated considerably. The Dutch delegation now insists on an arrangement similar to that with Switzerland, that is to say, that the balance remaining after the transfer of $4\frac{1}{2}$ per cent shall also be transferred and utilized in some form or other for amortization.

(3) We know from the familiar source that Belgium has consulted London and Paris for the purpose of a common front.⁸

RITTER

⁴ i.e., on June 25. No record of this discussion has been found, but a list of proposals sent by Berger to Ritter on June 23 (M54/M001274-75) appears to relate to it. These were to the effect that Germany could only pay her debts by means of additional exports and that, as the Reichsbank needed a respite of six months, only those debts could be paid within that period which were covered by foreign exchange obtained by additional exports.

⁵ Not printed (9252/E654609-10).

⁶ Under a Franco-German agreement of Mar. 10, 1933 (M59/M001682-87) certain German exports to France (coal, chemicals and their by-products) could be partially paid for with Registermark in possession of French banks. A letter from the Reich Ministry of Economics to M. Moeneclay of the French Finance Ministry, dated Mar. 3, 1934 (M59/M001697-98), stated that the agreement could be renewed subject to certain conditions. This was evidently done, but no subsequent information on this agreement has been found.

⁷ The date of the coming into force of the moratorium (see document No. 9, footnote 1) and also of the British Clearing Bill (see document No. 36, footnote 2).

⁸ A note on this document indicates that, together with the memorandum cited in footnote 5 above, it was also sent to the Embassy in Paris on June 26.

No. 38

7264/E532891-96

Reich Minister of Economics Schmitt to Foreign Minister Neurath

BERLIN, June 26, 1934.

Received June 27.

W 5220.

DEAR HERR VON NEURATH: In view of the tremendous importance of the negotiations which are at present being held in London, I have recorded the attitude of my Ministry to the British Note¹ in a minute and take leave to send you a copy herewith. I have sent a further copy each to the Reich Minister of Finance and Herr Berger, to the President of the Reichsbank and to the Reich Chancellor.

Yours etc.,

SCHMITT

[Enclosure]

BERLIN, June 23, 1934.

MINUTE ON THE BRITISH NOTE

According to the statements which the British Chancellor of the Exchequer made in the House of Commons² as well as to the text of the British reply to the German Note regarding the suspension of transfer payments as from July 1,¹ it must be assumed that the announcement of a forced clearing is not an empty threat but that, despite the many different obstacles in the way of such a measure, the British Government are determined to protect the interests of the investors, particularly the holders of Dawes and Young bonds. Nor does the circumstance that the British Government have asked for German negotiators to be sent immediately³ speak against this assumption. In order to reach a decision as to whether during these negotiations Britain should be granted further concessions than were at first proposed, the economic and financial interests which are at stake and the consequences of a serious economic conflict between Germany and Britain, on the one hand, must be weighed up against the sacrifices to be made by Germany, on the other.

I

The consequences of a German-British conflict

(1) Economic consequences.

Even during the whole crisis period Germany retained a considerable

¹ See document No. 21, footnote 2.

² See document No. 35, footnote 2.

³ See document No. 21, footnote 4.

favourable balance in her trade relations with Britain. Germany's export surplus with Britain amounted to 167 million [RM] in 1933 and was still 53.9 million RM in the first five months of 1934, during which Germany's trade balance had, on the whole, become heavily adverse. Through the introduction of a forced clearing the Reichsbank would in future be deprived of the foreign exchange which it obtains from Anglo-German trade. This would, therefore, cut Germany off from one of the few countries still supplying her with substantial amounts of foreign exchange. Even if Germany were to retaliate against a British forced clearing with appropriate countermeasures against imports from Britain⁴ she would suffer much more than Britain owing to the considerably higher value of German exports.

However, this, for Germany, so favourable ratio between German exports to Britain and British exports to Germany is entirely reversed when viewing Germany's trade relations with the *British Empire*. Germany had an adverse trade balance with the British Empire of 163 million RM in 1933 and of 60 million RM in the first four months of 1934. It must be clearly understood, however, that Germany could not reply to a British forced clearing with sanctions against the whole of the British Empire and this for two reasons. For one thing, the British Dominions are constitutionally independent entities with their own customs legislation which, incidentally, Germany has formally acknowledged by the conclusion of commercial treaties, for example, with the Union of South Africa, Canada, etc. Any sanctions against the Dominions based on British sanctions against Germany would rightly be felt by the Dominions to be a breach of treaty. The second reason is that the British Empire supplies us with large quantities of vital raw materials, which could only very gradually and moreover only in part be obtained from other territories. Perforce Germany would therefore have to continue to buy large quantities of goods from the British Empire, whereby an extension of sanctions to the British Colonies and Mandatory Territories would largely lose its effect.

(2) Financial repercussions.

London is still the world's foremost commercial centre. A large part of German raw material purchases are transacted through London and financed by English acceptance credit banks. A German counter clearing against a British forced clearing would therefore cut deeply into international financial relations and automatically lead to a default on the obligations which we assumed under the Standstill Agreement.⁵ This would probably lead to the denunciation of the whole Standstill Agreement upon the maintenance of which the financing of our trade depends and the servicing of which is regarded by the Reichsbank as

⁴ See document No. 36.

⁵ See document No. 12, footnote 4.

so urgent, in view of the foreign exchange allotment system about to be introduced, that all other requirements are to take second place. But even if other countries were to continue the Standstill, Britain for her part would undoubtedly withdraw from it if there were a counter clearing. Thus we would lose the acceptance credits in the English market by which our payment obligations for a substantial part of our vital imports have been deferred by three to six months and through which a number of our export transactions have been financed in advance within these same periods. Considering Britain's share in the Standstill Agreement—the British Standstill credit lines which are being maintained under the agreement amount to more than 700 million RM—this would mean such an acute deterioration in our foreign exchange situation through the earlier maturing of import liabilities and the delayed receipt of foreign exchange proceeds from exports, that the Reichsbank would be coming dangerously close to catastrophe. In addition to this, the Standstill credits, extensions of the repayment dates of which have hitherto been granted on a private commercial basis, would become due *vis-à-vis* Britain, and the German banks and industrial firms who had direct foreign bank credits would become insolvent in their relations with foreign countries, which has so far been avoided by means of the Standstill Agreement for three years in the interest of Germany's credit. For lack of foreign exchange allocations, the banks and industrial firms cannot meet these obligations, so it is to be feared that British creditors may take unilateral action to seize the external assets of such debtors (bank balances, payments received for exports, etc.).⁶

(3) Political repercussions.

It is unnecessary to stress that a serious conflict of this kind in the economic and financial field would be bound to have widespread political repercussions. Suffice it to point out Britain's significant rôle in all major questions of German foreign policy: disarmament, the Saar question, etc.

II

What a conciliatory attitude on Germany's part would entail

Factors militating against a conciliatory attitude would be the financial sacrifices which would be involved for Germany. The interest on the Dawes and Young loans for the latter half of 1934 amounts to 8.45 million RM and the redemption service to 3.20 million RM.

Negotiations are already in progress with Holland⁷ and Switzerland⁸

⁶ Marginal note in Bülow's handwriting: "Ships".

⁷ A German-Netherlands Protocol on the carrying out of the German Transfer Moratorium, with supplementary protocols and correspondence, was signed in Berlin on Aug. 31, 1934 (9633/E679501-50). Further documents on German-Netherlands negotiations have been filmed on Serial 9510.

⁸ A German-Swiss Agreement on methods of payment, with various supplementary

in order to enable us to continue the transfer payments by means of additional German exports, coupled with a substantial reduction in the rate of interest. There is some likelihood that agreement will be reached with Holland. The outcome of the negotiations with Switzerland cannot at present be foreseen.

Should the British in fact set up a clearing system, then it may be taken for granted that the other countries holders of the Reich loans would consent to no further negotiation and would also impose clearing systems. Moreover, the negotiations with Switzerland and Holland about private loans, which are progressing favourably, would then also be doomed to failure.

These repercussions would affect German foreign trade with Holland, Switzerland, France, Sweden, Belgium and Italy, who are Germany's most important customers and sources of foreign exchange.

We must attempt to come to an arrangement with Britain similar to that which we are seeking with Holland. Should it not be possible to obtain the requisite foreign exchange through additional German exports, we should in negotiating with Britain endeavour to obtain so substantial a reduction in interest rates, especially for the Dawes and Young loans, that the amounts then still remaining for transfer might perhaps be made available to Britain by means of an effective, even if inconsiderable, increase in Germany's export surplus with Britain, such increase to be regarded as an additional one.

and explanatory agreements, was signed in Berlin on July 26, 1934 (9629/E678971-679028). The text of the main German-Swiss Agreement only was published in the *Reichsgesetzblatt*, 1934, Pt. II, pp. 717-720. A supplementary exchange of letters took place between the Reich Ministry of Economics and the Swiss Department of Economics on July 26 and 28 (9629/E679029-32) and between the Schweizerische Kreditanstalt of Zürich and the Reich Office for the Control of Foreign Exchange on July 26 (9629/E679033-35). Further documents on German-Swiss negotiations have been filmed on Serial 8557.

No. 39

7807/E566446

The Minister in Yugoslavia to the Foreign Ministry

Telegram

No. 35 of June 27

BELGRADE, June 27, 1934—8:35 p.m.

Received June 27—11:30 p.m.

II Fr. 2281.

Barthou's great and spectacularly staged visit¹ has passed off without surprises. The programme was on the Bucharest pattern² but the

¹ Barthou visited Belgrade June 24-27, 1934.

² See document No. 41.

Bucharest extravagances were purposely avoided. The Yugoslav statements were designed to glorify the brotherhood of arms in the struggle for the unity of the State, and to record complete agreement with the French alliance policy for safeguarding the territorial *status quo*. Apart from a sharp rejection of Hungarian revisionist wishes, care was taken not to offend other States. Barthou's statements were couched in generalities. Particularly noticeable was his reserve in replying to an anti-Hungarian speech by the Minister President,³ and it was evident that he wished to soften the impression of the anti-Hungarian remarks he had made at Bucharest.

No joint statement has been issued on the outcome of the conversations, from which it appears that the question of establishing relations with Russia is still open. This French demand is said to have been countered with the statement that Yugoslavia's recognition of Soviet Russia is already covered by the joint signing with Russia of the London Convention regarding the definition of an aggressor.⁴ . . . (group mutilated) fresh recognition by establishing diplomatic relations therefore not necessary. Apart from this, it emerges from remarks about the outcome of the conversations that Yugoslavia is indeed prepared blindly to follow the French alliance policy for safeguarding the *status quo*, but views the possibility of an Italo-French settlement with distrust and the possibility of an Italo-Yugoslav settlement with scepticism.⁵

HEEREN

³ Nikola Uzunović, Yugoslav Minister President, January–December 1934.

⁴ Of July 3, 1933; see document No. 11, footnote 4.

⁵ Despatch No. 1400 Po. 3 Fr. of June 30 (7807/E566516–20) contained a somewhat fuller report on the visit. In it Heeren concluded that Yugoslavia had accepted no new commitments.

No. 40

8826/E614383–84

Memorandum by the Foreign Minister

BERLIN, June 27, 1934.

President Rauschning called on me this morning and discussed the situation in Danzig with me in detail. President Rauschning stated that without a transfer of foreign currency from Germany and without other outside assistance, it would not be possible to balance the Danzig budget or maintain Danzig's economy and currency.¹ For this reason, he explained, he had been compelled to seek a temporary credit

¹ In a memorandum of June 26 (8826/E614385–86), Meyer recorded that Rauschning had informed him that the Reichsbank refused to transfer any foreign currency to Danzig after July 1.

in England. Presumably the British would demand that the Gulden be devalued and linked to the pound sterling. Further, he would have to carry out a far-reaching policy of deflation, reduce all salaries etc., as well as reduce Danzig's budgetary expenditure and lower the cost of Danzig production. He hoped under these circumstances to revive the Danzig economy and make good the deficit. I told him that I would get in touch with Herr Schacht regarding the possibility of a transfer of foreign currency and the effects which might result from a devaluation of the Gulden. I also said that both I and Count Schwerin von Krosigk approved of the attempt to obtain money in England² and to master the difficult situation by devaluation and deflation. In a discussion this afternoon with Count Schwerin von Krosigk and Dr. Schacht, I asked Herr Schacht whether he approved of a devaluation of the Gulden and whether this devaluation would have unfavourable consequences for the Reichsmark. The President of the Reichsbank stated that a devaluation of the Danzig Gulden was a matter of *complete indifference* to him. The Danzig Gulden had previously been based on the pound sterling, and whether or not it was again linked with the pound sterling was of no interest whatsoever to him. He had no fears of any reaction on the Mark, a devaluation of which at the present time was out of the question. I took note of this statement by the President of the Reichsbank. Count Schwerin declared that he was prepared to make the Mark subsidies available in Germany as hitherto.³

I discussed with Herr Rauschnig the possible effects on internal politics of the measures he said were necessary, and reserved the right to inform the Führer at the appropriate moment.

Herr Rauschnig asked me to help in furthering the Danzig-Polish negotiations, which, especially in the question of Customs administration, were not progressing owing to the excessive demands of the Poles.⁴ I promised him that I would ask M. Lipski to call on me and would try to exert influence accordingly.⁵

V. N[EURATH]

² According to the memorandum cited in footnote 1 above, Rauschnig had informed Meyer that Schwerin von Krosigk approved the attempt to obtain a loan of 10 million Marks for Danzig in London.

³ See vol. I of this Series, documents Nos. 96 and 387. Further sums were subsequently made available by the German Government. The relevant documents have been filmed on Serials 6203 and 9072. In telegram No. 14 of June 29 (8826/E614381), the Consul General in Danzig was instructed to inform Rauschnig personally and orally that conversations between the Foreign Minister, Count Schwerin von Krosigk and Schacht had shown that it was impossible to transfer any foreign currency in future, and that Reichsmark subsidies would be assured in Germany.

⁴ The negotiations, which had been in progress for some time, resulted in the signature on Aug. 6, 1934, of a series of agreements covering the whole field of economic relations between Poland and Danzig. Relevant documents have been filmed on Serials 9061 and 9084.

⁵ In telegram No. 18 of July 4 (8826/E614373), the Consulate General in Danzig was

No. 41

7807/E566454-56

The Minister in Rumania to the Foreign Ministry

No. 2473 I.A. 22

BUCHAREST, June 27, 1934.

Received June 29.

II Fr. 2307.

POLITICAL REPORT

Subject: Barthou's visit to Bucharest.¹

The visit of the French Foreign Minister Barthou to Bucharest—formally returning Titulescu's visit to Paris²—was received by the Rumanian Government with all imaginable pomp and was turned into an occasion for demonstrating the Rumanian-French alliance. M. Barthou, who was the first Foreign Minister of France in office to visit the Rumanian capital, was received like the Head of a State; on the evening of his arrival the three Foreign Ministers of the Little Entente, who were here for a conference of the Council,³ gave him a gala reception; he was made an honorary citizen of Rumania and, at an extraordinary meeting of Parliament, he was so extravagantly praised that not only the thoughtful section of Rumanian society but even Frenchmen smiled sarcastically.

From a foreign policy point of view Barthou's visit formed the brilliant final scene of the meeting of the Council of the Little Entente at which not only the unity of the three partners, but also their alliance with France has been impressively demonstrated.

The main importance of the visit, however, lay more in the sphere of Rumania's domestic policy. The French Foreign Minister certainly came to Bucharest in the first place in order to counter the movement which is threatening to endanger the existence of the present Government and consequently the pro-French course of their policy. The general desire for an authoritative Government to challenge the present Jewish-Francophil system, the lively activity of the radical right-wing groups (Iron Guard, etc.), the programme, on the Italian pattern, of Marshal Averescu,⁴ who is being named as the Minister President to be,

¹ Barthou visited Bucharest June 20-23, 1934.

² Titulescu visited Paris Apr. 17-18, 1934.

³ The tenth meeting of the Council of the Little Entente, which was attended by Titulescu, Beneš and Jevtić, was held June 18-20, 1934. A report from Schulenburg, No. 2470 of June 27, on this meeting is not printed (9608/E678208-14).

⁴ A former Chief of the General Staff; he had been Minister President 1920-1921 and 1926-1927.

instructed to inform Rauschnig that the Foreign Minister had asked the Polish Minister to support a rapid solution to the difficulties between Danzig and Poland in the sense agreed.

and, finally and above all, the favour which the King has openly shown to all these movements, almost led, last May, to the downfall of the present Government, and only the energetic intervention of France succeeded in saving the Tatarescu⁵-Titulescu Cabinet once again.

It was Barthou's task, therefore, to banish these phantoms and above all completely to convince the King that the protection afforded by France and, to this end, the maintenance of the parliamentary system, of necessity remained the best policy for Rumania. Whether and how far he was successful in this cannot yet be said.

Outwardly the King has given way for the present. He has watered down an interview in the *Petit Parisien* in which he had advocated an authoritarian form of Government, and has forbidden the distribution of the original text. Contrary to the original programme, he appeared at the gala dinner which the French Minister⁶ gave in Barthou's honour, and with this, his first appearance in a foreign Mission, created a widely noted precedent. Finally he announced his own visit to Paris in the autumn and empowered the Minister President to start making the necessary preparations for it at once.

It appears, therefore, that French influence on Rumania has gained fresh strength from Barthou's visit. If, however, one takes into account the character of the King, who does not easily allow himself to be deflected from plans already made, one cannot entirely ignore the right-wing radical opposition's view that the King has only made a show of giving way and only wanted to gain the benefits of the urgently needed armaments credits in order to have a free hand afterwards.

SCHULENBURG

⁵ Gheorghe Tatarescu, Minister President 1934-1937.

⁶ Marquis Lefèvre d'Ormesson.

No. 42

7264/E532897-901

The Embassy in Great Britain to the Foreign Ministry

Telegram

MOST URGENT

No. 179 of June 27

LONDON, June 28, 1934—2:50 a.m.

Received June 28—6:30 a.m.

W 5227.

I. *Progress of negotiations.*

(a) Financial aspect:

I first of all explained our point of view in detail and at the same time refuted and corrected one by one each false assertion in the British transfer Note.¹ I said that a solution of the point at issue was only

¹ Presumably a reference to the British Note of June 20. See document No. 21, footnote 2.

possible through the joint efforts of the debtor and the creditors, not through high-handed action by the creditors. In view of the foreign exchange position and because of the repercussions upon the other creditors, the continued service of the Reich loan, even if it only involved a trivial amount in German-British business, could only be provided with the help of additional German exports. At the same time I described all the possibilities for additional exports (reductions of customs duties, indirect promotion of German exports by imposing a quota system on imports from other countries (Japan) as well as concrete individual orders from British public bodies).

Leith-Ross, basing himself on the British Note, acknowledged Germany's urgent need of foreign exchange, expressed sympathetic understanding for the provision of employment programme [*Arbeitsbeschaffungsprogramm*],² and explained that he did not wish to dispute the figure submitted by the Reichsbank and the Reich Government but rejected the conclusion we had drawn from it; he said that if Germany had been able to release 335 million Reichsmark in foreign exchange within a six-months period for the repurchase of bonds and the promotion of exports, she could also raise the necessary amounts for servicing the Reich loan. Thus there would be no need for additional exports. Britain was opposed to special agreements; she could in no circumstances tolerate a procedure which led to discrimination against British creditors; for this reason he requested information about the negotiations with Switzerland etc. (see previous telegram).³ He said that the most important question for Britain was that the Dawes and Young [loans] should continue to be fully serviced. He roundly rejected our request, based on our familiar arguments, for a reduction of the interest rate. The Dawes and Young Loans had legal priority and were Reich obligations. It was a recognized principle that Government obligations took precedence over all other obligations, since the credit of the individual citizen stood or fell by the credit of the Government; moreover, the value of the Government guarantee for the funding bonds which we offered in the transfer conference would be destroyed if the Reich loan was not fully serviced. Britain was not insisting on the payment of the redemption instalment, but the interest instalment must be paid fully in sterling.

On the question of funding bonds, if Switzerland and Holland were to effect a substantial cash transfer, the British creditors would demand

² A description of the financing of the German public works programme by means of tax remission certificates and "work credits" was given by the Reich Finance Minister, Schwerin von Krosigk, in a speech at Münster on Mar. 24, 1934.

³ Telegram No. 178 of June 27 (7264/E532927), requesting detailed information about the proposed arrangements with Switzerland, France and the Netherlands. Information about the state of the negotiations with Switzerland and the Netherlands was telephoned to London at 11:20 a.m. on June 28 (7264/E532931-32).

that the funding bonds should bear at least four per cent interest and be redeemable at a rate of at least 75 per cent.

(b) Commercial aspect:

With reference to our claim that the actual foreign exchange required for maintaining the interest payments should be obtained through concrete measures of trade policy or through additional individual orders, Leith-Ross stated that the British Government wished to maintain and expand Anglo-German trade as far as possible. No possibilities existed of additional exports through quotas (Switzerland) or Government orders (Holland). For this reason he must also reject the concrete proposals we had made for such additional individual transactions (for example, the supply of optical and precision instruments for the British armed services, participation in certain particular projects of British local authorities and so forth), as British public opinion would not permit such orders to be placed abroad. Regarding the reduction in customs duties he could only hold out hope of a generally favourable attitude at a later date if an agreement were reached. At any rate, customs duties could only be traded against customs duties. To our objection that the German Government had repeatedly suggested such a discussion . . . (group missing) such negotiations would be possible only if the German economic difficulties which existed at present were overcome.

In this connexion Leith-Ross then went on to speak about the most recent foreign exchange allotment system⁴ and let it be understood that, if this was not merely a temporary emergency measure, it might cause the clearing law⁵ to be applied, which its terms would permit; furthermore, he demanded a payments agreement on the lines of the Dutch arrangement. On our objecting that the fate of this agreement was far from certain and pointing out that the inclusion of the colonies would only be possible against compensations and that the Reichsbank would have to make the familiar proviso for cases of emergency, he said that Britain would agree to everything which we had also agreed with other countries. We stated that, on this condition, and should agreement be reached, it might be possible to conclude a payments agreement.

It is also worth noting that the British wish to delete Article X of the Anglo-German Commercial Treaty⁶ on account of their general trade policy but that they wish to retain Article VIII, in connexion with

⁴ See document No. 18 and footnote 5 thereto.

⁵ See document No. 36, footnote 2.

⁶ The Anglo-German Treaty of Commerce and Navigation, signed in London on Dec. 2, 1924. For the text see League of Nations: *Treaty Series*, vol. XLIII, pp. 89-134. Under Article 10 the two Contracting Parties agreed, as far as possible, not to impede trade by any kind of import or export restrictions. Under Article 8 the two countries agreed not to subject goods imported from and manufactured in the other country to duties which did not apply to the manufactures of other foreign countries.

which they explained that they had no intention of introducing a quota system discriminating against Germany; they also complained once again about the Swiss arrangement in respect of customs duty on yarn. When we pointed out the unfavourable turn taken by Germany's trade with the British Empire, they insisted time and again that German exports to Britain herself had risen.

II. *Assessment of the negotiations so far.*

There can be no doubt of the gravity of the situation. Leith stated that should there fail to be agreement the provisions of the clearing law would most certainly be brought into force against Germany. He also gave notice of the possibility of [Britain] restricting imports and denouncing the Commercial Treaty. I replied by referring to German counter measures. All our proposals for a definite increase in German exports, with immediately tangible foreign exchange yields, met with a flat rejection. Next to service of the Dawes and Young interest, the most important British demand is that there shall be no discrimination against British creditors by special agreements with Switzerland and so forth. It is obvious that the liquidation of German indebtedness by the repurchase of bonds and concurrent promotion of exports to the value of 335 millions in foreign exchange with a six months' period, to which reference was made at the beginning, have greatly stiffened the British attitude. They remained unimpressed by the consequences which concessions to Britain, having regard to Dawes and Young Loan creditors in other countries also, would have on Germany's foreign exchange balance.

The only positive result of today's discussion that can be recorded is that Leith gave it as his personal view that, should agreement be reached, the British Government might be prepared to state that they would jointly consider with the German Government ways and means of expanding German-British trade, in order to help Germany in her present emergency. Such a statement could be significant both for politics in general and for the whole problem of German indebtedness.

In tomorrow afternoon's session both sides are to endeavour to draw up a statement on the outcome of the discussions. Should a decision in Berlin thereafter be required, I request that it be rendered possible to take this decision in the course of Friday. We shall telegraph the results of tomorrow's meeting at once.⁷

BERGER
HOESCH

⁷ In telegram No. 181 of June 28 (9252/E654624), Berger reported that there had been discussions on cotton yarns and on the servicing of the Dawes and Young Loans, and that Leith-Ross had said that as far as Britain was concerned there were three factors which rendered it possible for Germany to continue to service the loans, namely her favourable trade balance with Britain, no import quotas, and a free market with favourable conditions of competition; these advantages could however only continue to be maintained provided British exports to Germany were not subjected to restrictions.

No. 43

9252/E654626-27

The Chargé d'Affaires in the United States to the Foreign Ministry

Telegram

URGENT

WASHINGTON, June 28, 1934—10:41 a.m.

No. 257 of June 28

Received June 29—6:40 a.m.

W 5262.

On the occasion of Huecking's¹ presentation to Hull today, there took place a brief discussion of the American Note on the moratorium.² After saying that I was still without instructions from Berlin and could therefore only make personal and preliminary statements, I expressed great disappointment at the completely negative tenor of the American Note, which contained no response to the proposal for negotiations. In particular the reference to the alleged importance of imports for rearmament purposes was injurious and incorrect. Hull tried to base himself on the figures of the German army budget and, for the rest, repeated his already familiar views.³

A lengthy confidential conversation with an authoritative personality of the Commercial Division of the State Department confirmed that the American Government had intended in their Note primarily to attack the so-called discriminations. My informant said that it had hitherto been the general practice of the State Department to regard the relations of a creditor with his foreign debtors, whether a State or an individual, as the creditor's private concern. This basic principle had determined the State Department's policy on the question of German debts. But the proportionally large amount of German bonds held in the United States of America might now change the situation. At any rate, the American Government would never be able to accept discrimination against American creditors. On its being pointed out that America was not furnishing any practical remedy the official in question replied that we must believe the American Government when they said that they were not yet ready for economic negotiations. The Tariff Commission was still in the midst of its investigations. Nevertheless, Germany's precarious position as such was known. It was hoped that the American Note in reply, the terms of which had also been affected by the German reference to reparations, would not aggravate the situation. The German reference to reparations had

¹ Dr. Viktor Huecking, the newly appointed German Commissioner on the German-American Mixed Claims Commission.

² The American Note of June 27, 1934, transmitted to Berlin by telegram No. 256 of June 27 (9252/E654617-23). For the text see *Foreign Relations of the United States*, 1934, vol. II, pp. 368-373.

³ For Hull's memorandum on this conversation see *ibid.*, p. 481.

been taken by the American public to imply an attempt to let private loans finally go the same way as reparations. The Note reflected the sentiments of probably all the American people themselves. Nor could America ever agree to the theory of a purely bilateral commodity trade balance. To this I replied that the bilateral concept had been forced upon Germany by other Powers for some years now, and after Germany had resisted it for a very considerable time. I added that it was more important to refrain from "narrow" discussions, such as were contained in the American Note, and especially from too technical a discussion of whether and where any faults might lie, in order to achieve some practical results in the midst of the present international emergency [*Völkernot*]. The conversation gave me the opportunity of putting forward again and in detail our other arguments as well.

Both conversations created the impression that it would not suit America to enter into further controversy with Germany. Having despatched their Note, which was drawn up under the pressure of public opinion and of the bondholders, the Americans would prefer to see the subject postponed so that whilst avoiding the so-called discrimination they could, nevertheless, subsequently still have the opportunity of obtaining practical mutual concessions (a fuller report on the position over the commercial treaty question is on the way).⁴ We must, however, reckon for the moment with a reaction strongly unfavourable to us from the press and public opinion.

LEITNER

⁴ Not found.

No. 44

7264/E532925-26

The Director of the Economic Department to the Embassy in Great Britain

Telegram

MOST URGENT

BERLIN, June 29, 1934—10:30 p.m.

No. 183

zu W 5280.¹

For the Delegation.

With reference to your telegram No. 181² and to your communication of June 28.¹

Please make the following statements to the British Government:

1. We note with satisfaction that the British Government have waived [their claim to] monthly payments of interest due and that they

¹ Not printed; a communication of June 28 from Ministerialdirektor Berger, in London, to the Foreign Minister, the Reich Minister of Economics, the Reich Finance Minister, the President of the Reichsbank and the Reich Chancellor's Commissioner for Economic Questions (7264/E532920-24), supplementing in greater detail document No. 42.

² See document No. 42, footnote 7.

will require transfer of the interest on the Dawes Loan by October 15 only and of the interest on the Young Loan by December 1, in lump sums. Moreover, in view of the general statement on the maintenance and expansion of mutual trade which is to be issued by Britain, we note that our trade relations are to be encouraged. This leads us to hope that Germany will be granted a commensurate increase in her export surplus, so that she will be able to transfer the interest on the Dawes and Young Loans without detriment to her foreign exchange position. The German Government are therefore prepared to transfer to Britain the interest due on the Dawes and Young Loans on October 15 and December 1.

2. With regard to the British demand for 4 per cent funding bonds and a guarantee that these should be redeemable at 75 per cent,³ this is contrary to the agreement reached between the creditors and the Reichsbank at the transfer conference in May.⁴ This request must therefore be refused.

With regard to the possibility of special treatment for Swiss and Dutch creditors, the negotiations have not yet been concluded and it is by no means certain that an agreement with these countries will be reached.

3. With regard to the request for a payments agreement, you are requested to inform the British Government that this involves difficult technical questions but that we are prepared to begin negotiations at any time.

RITTER

³ See document No. 42.

⁴ See Editors' Note, p. 16.

No. 45

6695/H100211-12

The Minister in Poland to the Foreign Ministry

A 135

WARSAW, June 29, 1934.

Received July 11.

IV Ru. 3238.

POLITICAL REPORT

Subject: Conversation with Foreign Minister Beck about the Chancellor's visit to Venice¹ and the Franco-Russian Eastern Pact plans.

I have today informed Foreign Minister Beck of our attitude to the Litvinov Pact, on the lines of the information given by Herr Director Meyer to Minister Lipski.² At the same time, availing myself

¹ See documents Nos. 5, 6, 7, 19 and 26.

² No record of Meyer's conversation with Lipski has been found.

of telegram No. 108 of June 16,³ I informed him about the meeting between the Chancellor and Mussolini, whereby I especially pointed out that the idea of the Four Power Pact⁴ had not been pursued further. M. Beck replied that he was very grateful for thus being put in the picture, regarding it as indicating a desire for closer cooperation. With regard to the Litvinov Pact, he confirmed that our reception of it was broadly the same as the Polish point of view, as he had already explained to the Foreign Minister on the occasion of his visit to Berlin.⁵ He added, on his own initiative, that he considered it was important to remain in touch with us on this question.⁶ With regard to the Chancellor's visit to Venice, M. Beck said that he had not shared the anxiety of the Polish press. From the beginning he had regarded this visit as a perfectly natural event, from which Poland had nothing to fear. He was glad, however, to obtain from my information confirmation that he had not been mistaken on this point, and he would not fail to report it to the Marshal.⁷

V. MOLTKE

³ Document No. 10.

⁴ See vol. I of this Series, document No. 292.

⁵ On June 7; see vol. II of this Series.

⁶ Marginal note in Neurath's handwriting: "To be done".

⁷ Marshal Pilsudski.

No. 46

7264/E532934-36

*Ambassador Phipps to Foreign Minister Neurath*¹

BRITISH EMBASSY,
BERLIN, June 29, 1934.
W 5299.

MY DEAR BARON VON NEURATH: I am sorry to have to tell you that according to my latest information the transfer negotiations in London are not going well.² Dr. Berger's instructions appear to be limited to a possible undertaking to pay the interest on the Dawes and Young Loans, but only in return for a guarantee by the United Kingdom to take additional German exports. This is a solution which my Government are unable to entertain.

The British delegation urged that the German Government should offer a general settlement to all the creditors on the basis of the fulfilment of payment of interest on Reich loans and four per cent Funding Bonds for non-Reich loans without any discrimination. This would presumably be acceptable to the British, French, Swedish and American creditors. The alternative was the imposition of clearings which would certainly be more costly to Germany. The payment of interest on

¹ The text of this document is in English in the original.

² See document No. 42 and footnote 7 thereto.

Reich loans is clearly not excessive, having regard to the large amounts of foreign exchange devoted by the German Government to bond purchases, and the German delegation have not refuted the arguments in the British Note³ on any substantial point.

If the above proposal were applied by special agreement with foreign countries to British creditors, its effect would be to provide the Trade Commissioner with forty million Reichsmarks extra foreign exchange over the next annual period and would represent a real alleviation of Germany's position.

As regards the request of the German representatives that the United Kingdom should take additional German exports, my Government wish to point out that, so far from obtaining additional concessions, Germany can only reasonably expect to continue the present favourable conditions if she will give the British Government assurances that she will not cut down British (including colonial) trade, or put obstacles in the way of United Kingdom creditors receiving payment.

I have been instructed by my Government to place the situation as outlined above clearly before you.⁴

Very sincerely yours,

ERIC PHIPPS⁵

³ See document No. 21, footnote 2.

⁴ Marginal notes: (i) "Handed over by the British Ambassador. To be circulated in the Economic Dept. K[otze], June 29." (ii) "To H[err] Baer. I have transmitted the text to London. Please [inform] Reichsbank and others concerned. R[itter], June 30." The text of this document was telegraphed *en clair* to London in telegram No. 185 of June 30 (7264/E532943-45).

⁵ Telegram No. 184 to London of June 30 (7264/E532941-42) stated that the document here printed had been communicated before the instructions to London (see document No. 44) had been finally decided upon. This telegram also gave details of the reply which was to be made to the British Ambassador (see document No. 49), and further stated that the Foreign Ministry could not comprehend how the figure of 40 million Reichsmark mentioned in paragraph 3 had been arrived at; unobtrusive enquiries would be made about this point at the British Embassy.

The text of the document here printed and of document No. 44 were also forwarded to the Reich Ministry of Economics, the Reich Finance Ministry and the Reichsbank on June 30 under cover of a letter (7264/E532937-39), which also gave the explanation obtained from the British Treasury as to how the figure of 40 million Reichsmark had been arrived at.

No. 47

7475/H186612-16

The Ambassador in Great Britain to the Foreign Ministry

Telegram

No. 185 of June 29

LONDON, June 30, 1934—2:32 a.m.

Received June 30—4:35 a.m.

II Abr. 1821.

With reference to your telegram No. 180.¹

¹ Of June 26 (7475/H186598-600). In it reference was made to the article in the

I called on Sir John Simon today and handing him the article in question from the *Daily Telegraph* spoke to him in the sense of your instructions.¹

The Foreign Secretary claimed that he had no previous knowledge of the article and dismissed its contents as fantasy. With regard to General Weygand's visit to England,² he declared quite definitely that the visit was of a purely private character. The Cabinet had not dealt with the matter and there had been no political decision which could have justified any kind of military discussion. I then drew attention to today's sensationally displayed report in the *News Chronicle* according to which Lord Hailsham³ with General Sir Archibald Montgomery-Massingberd⁴ and forty British officers had today left for France to visit the battlefields, and concluded from this that there would be intensive contact between the two General Staffs. The Foreign Secretary confirmed the journey of the Secretary of State for War but added that it was a normal visit to the battlefields such as took place regularly. He added the remark that it was clear that if really binding agreements were intended between the British and French General Staffs the discussions on them would not be carried out in so obvious a form (in such spectacle [*sic*] form),⁵ but rather in secrecy. I agreed that there was some justification for this remark but pointed out several times that military chiefs had in the past carried on military discussions without express authorization from governments, and could do so again; this, as was well known, had happened often enough in the past. Simon avoided giving a clear answer to this, but stressed repeatedly that it was impossible for plans for any proposed binding agreements to be kept secret from him. He could assure me that even in answer to enquiries he had received no information whatever about any such plans.

In a more detailed discussion about the alleged British project, mentioned in the *Daily Telegraph*, to bring Belgium and Holland into the British defence system, the Foreign Secretary again declared quite definitely that all these speculations were nonsense. After some hesitation, however, and saying that, now that the subject had been broached, he would tell me all his hitherto purely personal ideas in this connexion, he came out with the following plan: Belgium was uneasy

Daily Telegraph of June 25. Hoesch was instructed to draw the attention of the British Government to the treatment of the Weygand visit in the British press and to voice German concern that such press commentaries gave the impression that Britain was departing from her rôle of impartial guarantor of the Locarno Pact. See also footnote 2 below.

² General Weygand, Vice-President of the *Conseil supérieur de la Guerre* and Inspector General of the French Army, visited Britain June 20-25, 1934. Hoesch reported on this visit in telegram No. 170 of June 22 (M10/M000320-22).

³ Secretary of State for War.

⁴ Chief of the Imperial General Staff.

⁵ The words in brackets are in English in the original.

about her security and had let this be known during Hymans' recent visit to London.⁶ The Reich Government had offered to conclude a non-aggression pact with Belgium,⁷ and he had informed the Belgian Government of this. The Belgian Minister in Berlin⁸ had, as he read out to me from a paper which was brought to him, sounded Vice Chancellor Papen and the Disarmament Commissioner,⁹ apparently without any definite decisions having been reached by Belgium so far. Before Parliament's summer recess the British Government would have a statement to make about foreign policy in a Commons debate on the European situation. Whilst stressing that there was absolutely no question of Britain assuming further political commitments, they intended to make a fresh affirmation of faith in Locarno. His own ideas, so far purely personal and not yet approved by the Cabinet, were tending in this direction—could not the Belgian need for additional security be met if, when making this renewed affirmation of faith in Locarno, the British Government at the same time added a statement referring to Britain's special interest in the integrity of Belgium, and specially emphasizing that Britain would not tolerate any violation of Belgium? Of course, the British Government did not wish to make any kind of demonstration which could in any way be regarded as directed against Germany. However, Germany's declared readiness to conclude a non-aggression pact with Belgium perhaps opened up the possibility of proclaiming Britain's special interest in the integrity of Belgium in such a way as to exclude any impression of her taking up an anti-German attitude. Two possibilities were conceivable: either Germany might first conclude a non-aggression pact with Belgium whereupon the British Government would, in the proposed declaration, refer to the fact that Germany had by this pact again demonstrated her peaceful intentions towards Belgium and that Britain, in turn, and, so to speak, in unison with German policy, was recording that, in her own interests, she could not tolerate a violation of the integrity of Belgium; or else a German-Belgian non-aggression pact, or possibly only a unilateral German declaration of non-aggression regarding Belgium, might be so timed as to coincide with the proposed British statement. Simon emphasized that I was the first foreigner to whom he had expounded these ideas and he could assure me that the matter had not been discussed with France, and indeed the British Government intended to hold themselves completely aloof from the various French pact projects.

I propounded my views, which were of course purely personal, to the

⁶ Paul Hymans, the Belgian Foreign Minister at that time, arrived in London on May 16 and conferred with Lord Hailsham and Sir John Simon.

⁷ See vol. II of this Series, London telegram No. 141, sent May 27, 1934.

⁸ Comte de Kerchove de Denterghem, Belgian Minister in Berlin since February 1932.

⁹ Ribbentrop. No record of these conversations has been found, but see also *Documents on British Foreign Policy, 1919-1939* (London, H.M. Stationery Office, *in progress*) (hereinafter cited as *British Documents*), Second Series, vol. VI, No. 466.

effect that I would not relish such a British declaration, as it would still imply the possibility of a German attack on Belgium—an attack from any other quarter would hardly enter into consideration—and consequently could still be regarded as directed against Germany, even if there were simultaneously some kind of formal announcement by us that we had no aggressive intentions. Simon would not admit this, but repeatedly emphasized that the fact that the German and British moves were in harmony would prevent any anti-German interpretation of the British declaration. At this I asserted that it should surely be sufficient for Belgium if there were merely a fresh affirmation of faith in Locarno by Britain.

The Foreign Secretary did not expressly request [me] to obtain information on the attitude of the German Government. I should, however, be grateful for further instructions.

The general impression I gained from the conversation confirmed the impressions on which I reported after my recent conversation with MacDonald.¹⁰ The Anglo-French military meetings certainly do not involve the laying down of firm commitments. The conversations of the Army chiefs are, nevertheless, a significant event as they have surely led to a thorough exchange of views regarding the state of German armaments and the possible danger from Germany and have probably strengthened the idea of possible cooperation. Accordingly the consultations may well assume considerable importance; their further development both as regards tempo and subject matter will depend on how the political situation develops.

HOESCH

¹⁰ See document No. 28 and footnote 6 thereto.

No. 48

7725/E551335-37

Circular of the Foreign Ministry¹

CONFIDENTIAL

BERLIN, June 30, 1934.

zu II Nied. 718.²

753.³

With reference to our circular despatch of December 8, 1933, II Nied. 1071/2.⁴

The difference of opinion between the German and the Netherlands Governments touching the attitude of the Netherlands Government

¹ Addressees were all German Missions, except those to the Holy See and the Netherlands, and the Consulates General at Batavia, Calcutta, Jerusalem, Memel, Montreal, Pretoria and Sydney.

² Report A 2522 of June 16 from the Legation at The Hague (7725/E551325-29).

³ Report A 2522 II of June 22 from the Legation at The Hague (7725/E551333).

⁴ See vol. II of this Series, circular of the Foreign Ministry of Dec. 8, 1933.

towards the organizations of the NSDAP in Holland, regarding which the Missions were informed by the circular despatch of December 8 of last year, has in the meantime been settled.

The Netherlands Government were not, in this connexion, deaf to the arguments on principle contained in the Note of the German Legation at The Hague of December 1, 1933,⁵ a copy of which was enclosed with the circular despatch, but were prepared to a great extent to take into account the change in the situation occasioned by developments in Germany, and especially by the Law of December 1, 1933,⁶ for securing the unity of Party and State, and to drop the demand contained in their Note of November 15, 1933,⁷ for the immediate dissolution of the organizations of the NSDAP in the Netherlands. In view of the ban on all foreign party organizations in the Netherlands, the Netherlands Government, however, persisted in their demand that the local groups [*Ortsgruppen*] of the NSDAP in the Netherlands should be renamed, so that it would be impossible from their outward designation to mistake them for a party formation. In addition they demanded that the principles which, as they had already been informed in our Note of December 1 of last year, were regulations made by the Party leaders, should be strictly adhered to.

The Reich Government, in agreement with the Party leaders and in consideration of the fact that the Netherlands Government have given way on the fundamental question of the continued existence of the organizations of the NSDAP in Holland, have said that they agree to these organizations in the Netherlands taking the name of "Reichsdeutsche Gemeinschaft [Association of Reich Germans]". After the reorganization and renaming had been carried out the Netherlands Government issued to the appropriate authorities the instructions necessary to ensure that the activities of the "Reichsdeutsche Gemeinschaft" shall continue unhindered.⁸

By order:
KÖPKE

⁵ Not printed (7725/E551008-16).

⁶ See *Reichsgesetzblatt*, 1933, Pt. I, p. 1016.

⁷ Not printed (7725/E550981-98).

⁸ In a letter of the same date as the document here printed the Foreign Ministry informed the Auslandsorganisation of the NSDAP of the action which the Netherlands Government had taken (7725/E551337).

No. 49

2368/494069

Memorandum by the Foreign Minister

BERLIN, June 30, 1934.

RM 752.

I asked the British Ambassador to call on me this morning and informed him that, despite considerable doubt as to the feasibility of

the arrangement, we had instructed our delegation in London¹ to inform the British Government that the German Government were prepared to transfer to Britain on October 15 and December 1 the interest due on the Dawes and Young Loans; also that we took note at the same time of Britain's intention of making a statement on the maintenance and expansion of mutual trade. I then, however, informed the Ambassador that we must reject the rest of the British demands² and could in no circumstances whatever go any further. Should these demands continue to be upheld, contrary to our expectation and despite the concessions we had made, we would have to let the negotiations break down. But the whole responsibility would then lie with Britain and I would see to it that this was made clear to the British creditors. The Ambassador assured me that the British Government did indeed appreciate the concessions we had made. In view of the moral obligations which they had assumed at the time towards the Young and Dawes bondholders, the British Government's only concern had been that the interest payments on these loans should not be suspended.

V. N[EURATH]

¹ See document No. 44.

² See document No. 46.

No. 50

8115/E580755-57

Memorandum by an Official of Department II

BERLIN, June 30, 1934.

II Vat. 727.

Negotiations about the application of Article 31 of the Reich Concordat,¹ which took place² in the Reich Ministry of the Interior with the representatives of the Catholic Hierarchy, were concluded yesterday evening and led to a satisfactory result. As fully empowered representatives of the Hierarchy, Bishops Bares of Berlin and Berning of Osnabrück and Archbishop Gröber of Freiburg took part in the negotiations; the other side consisted of representatives from the Reich Ministry of the Interior, the Reich Ministry of Religious Affairs, the Reichsleitung of the NSDAP, the SA, the Labour Front, and the Hitler Youth, the last being personally represented by the Reich Youth Leader Baldur von Schirach. The negotiations, which were

¹ The Concordat between the Holy See and the German Reich, signed on July 20, 1933. For the text, see vol. I of this Series, document No. 371.

² These negotiations took place June 24-29.

highly confidential, were harmonious throughout and both sides showed themselves sincerely desirous of reaching agreement.

Agreement³ was reached on the following basis: Those Catholic associations whose sphere of work overlaps that of the national associations and in particular the sports and labour associations, do not come under the protection of Article 31. These associations, and in particular also their funds, can however be incorporated by the Church authorities in the Catholic Lay Apostolate (Catholic Action), that is to say, in Catholic organizations controlled by the Bishops, which are of a purely religious, cultural or charitable nature. After such incorporation, the prohibition on double membership imposed on the members of these associations by the national associations will no longer apply.

As regards the Catholic youth organizations in particular, they may continue to exist in so far as they confine their sphere of activities to the religious and moral education of their members. For the future prevention of the disputes which have hitherto proved unavoidable, the Bishops will temporarily impose a ban on the wearing of uniforms by Catholic youth associations, but on the other hand the wearing of badges (brooches) will be generally permissible and it will be permitted to carry a banner on special occasions. On the basis of these conditions the Reich Youth Leader stated that he would make himself responsible for the Hitler youth preserving a friendly attitude towards the Catholic youth associations.

A mutually agreed communiqué will be issued about the conclusion of the negotiations,⁴ which will also state that the representatives of the Hierarchy were received by the Reich Chancellor and that this conversation too was characterized by a sincere desire to achieve harmonious collaboration between State and Church.

The Bishops told me, too, that they were satisfied with the conversations with the Reich Chancellor. The Reich Chancellor, as I learned from Ministerialdirektor Buttman,⁵ promised the Hierarchy that he would make a personal announcement in the press to the effect that both Government and Party were favourably and helpfully disposed towards the activities of the Catholic Church in her own sphere and that neither would have anything to do with the so-called "third religion", the German National Church and similar movements opposed to Christianity.

The representatives of the Hierarchy will submit the agreements which have been reached to Cardinal Bertram, the Chairman of the

³ A copy of the draft agreement, drawn up in terms as summarized in the document here printed, was forwarded to the Foreign Ministry under cover of letter III 671/3172 dated July 7 and signed by Frick (8115/E580759-67). A copy was also sent to the Reich Chancellery; see document No. 91, footnote 1.

⁴ This communiqué was issued on July 1.

⁵ Of the Reich Ministry of the Interior.

Fulda Conference of Bishops,⁶ for his formal approval. From what the Bishops say, no objections need be expected from this side. The Reich Minister of the Interior⁷ will then supply the Foreign Ministry with the texts of the agreements for further negotiations in Rome through diplomatic channels.

MENSHAUSEN

⁶ The annual conference of the Catholic Hierarchy; Cardinal Bertram was Archbishop of Breslau.

⁷ Wilhelm Frick.

No. 51

6695/H100125-26

The Chargé d'Affaires in the Soviet Union to the Foreign Ministry

Telegram

TOP SECRET

No. 165 of July 2

Moscow, July 2, 1934—9:35 p.m.

Received July 3—12:30 a.m.

IV Ru. 3128.

With reference to your cipher letter II F Abr. 1765 of June 26.¹

During a confidential conversation the Italian Ambassador here read out to me a telegram from Rome concerning a discussion between the Italian Ambassador in Paris² and Secretary General Léger on the Eastern Pact and the Franco-Russian alliance. I assume that Cerruti has reported home the substance of this discussion, especially Léger's view that a Franco-Russian alliance is imminent.

Attolico, on the strength of this information from Paris, asked Litvinov how matters were going with the treaty of alliance. Litvinov replied that they had not got that far as yet. The alliance would only come about if Eastern Locarno were to fail. With France, who would not join an Eastern pact, there had *so far* only (!) been envisaged a Franco-Russian agreement supplementary to the Eastern Locarno Pact, pledging the parties to afford all assistance in case of an attack falling within the sphere of either Eastern Locarno or Western Locarno (the extension of assistance to cover the Far East appears to have been avoided). Since the rendering of assistance under the Eastern Locarno Pact is to function automatically, the London definition of "aggressor"³ is to be inserted in the Pact. The Franco-Russian supplementary agreement will, on the contrary, be placed under the aegis of the League of Nations. France insists that she will only agree to closer ties within the framework of the League of Nations. Attolico is of the opinion that the Eastern Pact still only exists as a general idea.

¹ See document No. 31, footnote 17.

² Count Pignatti Morano di Custozza.

³ See document No. 11, footnote 4.

From the . . . (group missing) with Litvinov, he had the impression that, if Germany were to take part in the Eastern Pact, the situation would be greatly changed and that Germany would then have good prospects of success in preventing a Franco-Russian supplementary agreement, the inclusion of automatic sanctions, and especially the definition of "aggressor". If, however, Eastern Locarno fails, or if it does not materialize in a form approaching satisfaction of the Soviet need for security, then a Franco-Russian treaty of alliance is very probable (a general treaty covering every possibility [*traité général qui couvre toutes les possibilités*]).

Attolico further stated that in his recent conversations he had gained the impression that nowadays all circles in the Soviet Union were convinced that Germany had secret designs against the interests of the Soviet Union. Since the rejection of Litvinov's Baltic pact proposals,⁴ there was no longer a pro-German trend. The anxiety that existed here, foolish as it might be, must be reckoned with as a serious factor, it . . . (group missing) the extent of the Soviet need for support and readiness to make great sacrifices to secure for themselves protection and assistance in case of a German attack. From the Italian point of view the question was whether a Franco-Russian alliance might not be fatal for German freedom of action in the future. Such an event had now come dangerously near. From all his conversations he had become convinced that matters had gone so far that the situation which was now developing could no longer be prevented merely by German-Russian discussions, but only by some sort of acceptance of the idea of freedom. As to the actual value of such gigantic proposals as an Eastern Locarno, no one outside the Franco-Russian bloc had any illusions.

I explained fully to Signor Attolico that we were ready to maintain good relations with the Soviet Union, and pointed out that the Soviet attitude on all vital German questions had now become so absolutely hostile that it was very difficult for us to take the initiative in any way. As to our attitude on the question of an Eastern Locarno, I gave him full information in accordance with instructions⁵ received.⁶

TWARDOWSKI

⁴ See document No. 1, footnote 2.

⁵ See vol. II of this Series, circular of the State Secretary of June 13, 1934.

⁶ The text of the document here printed was circulated by telegram to the Missions concerned on July 3 (6695/H100127).

No. 52

7475/H186617-21

The Foreign Minister to the Embassy in Great Britain

IMMEDIATE

BERLIN, July 3, 1934.
zu II Abr. 1821.¹

With reference to your telegram No. 185 of June 30, 1934.¹

The statement which Simon is considering making in the House of Commons touches on a difficult and delicate subject. The sensation caused by the circumstances of the Weygand visit² and the comments with which it has been accompanied in the English press, have created the impression, not only with us but also in other countries, that British and French General Staff discussions on military defensive cooperation against Germany were taking place. This impression has been strengthened by the journey immediately afterwards to Paris of the British Secretary of State for War with the Chief of the Imperial General Staff and forty high-ranking officers, [a party] on a scale conspicuously different from that usual for a visit to the French battle-fields. The close cooperation of the British and French General Staffs which has thus become evident reminds one all the more painfully of certain pre-war discussions between the same parties, because recently French foreign policy has quite obviously reverted to pre-war methods. In addition to this there is the recent unbounded press agitation, the aim of which is to depict Germany as eager to attack. Apart from the absurd report in a Paris newspaper, which, however, was repeated without comment by a number of newspapers, that Germany would make an air attack on Paris on July 15, special mention should be made of the article by Wickham Steed,³ based on forged documents, on alleged preparations for German poison gas and bacteria attacks on London and Paris; regarding this article, "Pertinax"⁴ even asserts that it was approved by the War Office. If now the British Foreign Secretary were also to make a statement in Parliament that Britain would not tolerate any violation of the integrity of Belgium, this would certainly be interpreted by those interested in the agitation against Germany to mean that the British Government feared an impending German attack on Belgium and wanted to prevent it by a timely warning. Such a statement, quite apart from the fact that the vexatious reproach against us contained therein would be absolutely unjustified, would give fresh impetus to those forces in France which

¹ Document No. 47.

² See *ibid.* and footnote 2 thereto.

³ The reference is to an article entitled "Aerial Warfare: Secret German Plans" in *The Nineteenth Century and After* of July 1934.

⁴ André Géraud (Pertinax) in an article in *Echo de Paris* of June 29.

wish to prevent an understanding with Germany at any price, and would be an inducement to them to continue their lying propaganda. It is to be feared that the French people would thus be gradually driven into a state of panic which must force the French Government more and more away from the idea of an understanding with Germany.

This effect of the statement cannot, as Simon believes, be counteracted by any German measure, because the essential thing would not be its content, which is already known everywhere as an established principle of British foreign policy, but the fact that Britain should consider it necessary, just at this present time, to come forward with such a statement. Besides, the conclusion of a German-Belgian non-aggression pact would be a matter which could not be settled in a few days, quite apart from the fact that the Belgian Government themselves have not yet come to a decision on this point, as they seem to fear that Locarno might thereby lose its value. A unilateral German declaration that we will not attack Belgium would in the present situation only give rise to misinterpretation. It would create the impression in France that we wished to make a distinction between Belgium and France with regard to our non-aggression obligations. We, too, must attach importance to ensuring that any such distinction should not indirectly lessen the security which Locarno guarantees us against France and thus weaken the protection of our western frontier.

If Simon wishes to reaffirm in the House of Commons that Britain will stand by the Locarno-Rhine Pact, then we shall certainly have nothing against this. We gave a similar declaration in the Statement of April 16.⁵ The essential point about Locarno, however, is that Britain and Italy have assumed the rôles of independent guarantors, to protect not only France and Belgium against a German attack, but also Germany against a Franco-Belgian attack. In no circumstances can we agree that that part of the British guarantee which refers to the protection of Germany should become of lesser importance than the protection of Belgium and France, and we must answer every statement by the British Government which disregards this point of view with a plain reminder of Britain's guarantee obligations towards Germany. We do not by any means regard that part of the British guarantee which refers to our protection as purely theoretical. For, although official German circles are always working, in the interests of calming the atmosphere, to keep all news about an imminent danger of war out of the German press, we must seriously ask ourselves, particularly since the French Note of April 17,⁶ whether the forces which are pressing for a policy of ultimate or even one of a preventive war may not gain the upper hand in France, especially if, in consequence of

⁵ See document No. 4, footnote 8.

⁶ See document No. 4, footnote 7.

events such as the Franco-British General Staff talks, it should be believed there that Britain would in all circumstances stand at the side of France. In any case the danger of a French preventive war against Germany should be taken much more seriously than the absurd notion that we might attack Belgium or even France. We are, of course, convinced of the peaceful intentions of Belgium, but after the familiar events (Franco-Belgian military understanding, one-sided fortification of the Belgian Eastern frontier and the like) there is a strong probability that the French General Staff regards Belgium as a military glacis.

If, therefore, Simon wishes to make a statement on Locarno, then we must attach prime importance to his expressing to the same degree Britain's duty to protect Germany from a French attack, which might possibly be made through Belgian territory, as Britain's guarantee to Belgium. The statement could only contribute to a real pacification if it were so balanced that Britain's rôle as an impartial guarantor, in whom Germany just as much as France and Belgium could have confidence, were clearly manifest therein. Such a statement would also give Belgium the desired increase in her security, especially in view of the renewed affirmation of faith in Locarno already made by us.

You should speak in this sense to Simon; I leave it to your discretion when to do so, especially in view of Barthou's visit,⁷ and you should report on the result.

[NEURATH]⁸

⁷ For Barthou's visit to London July 8-10 see documents Nos. 84 and 85.

⁸ The document here printed is unsigned, but a cover note, II Abr. 1821 Ang. II of the same date (7475/H186622), under which copies were sent to the Missions in Paris, Rome and Brussels, is initialled: "v. N[eurath], July 3."

No. 53

7264/E532976-77

The Directorate of the Reichsbank to the Foreign Ministry

No. IIa 14043

BERLIN, July 3, 1934.

Received July 3.

W 5406.

The course which the Swiss conversations have taken gives us occasion to point out that we agreed to negotiations on a clearing arrangement only on the condition that Switzerland would guarantee without reservation to make available a trade balance surplus of 230 million Swiss francs, a condition which the representatives of the Foreign Ministry and of the Reich Ministry of Economics have stated to be definitely feasible. We would regard it as intolerable if this condition, which the two Reich Ministries themselves described at the time as being indispensable, were to be abandoned.

When the Foreign Ministry decided, against our advice, that the German delegation in London should agree to the redemption of the October and December coupons of the Reich loans held by British subjects,¹ we advocated that the non-discrimination demanded by Britain should be made reciprocal. Moreover, we regarded it as self-evident that the non-discrimination clause, operating reciprocally as requested by us, must apply to the agreement as a whole, including the service of Young and Dawes Loans interest; that is to say, if we should succeed in arranging a reduction in this rate of interest with Switzerland and Holland, Britain must also allow this arrangement to apply to herself, with all the special commitments which Switzerland and Holland, for their part, might assume in order to make this service possible.

Furthermore, we would inform you that having appointed Herr Blessing to the delegation purely as adviser to the Government representatives, we have instructed him by telephone today that if any written agreements were reached with the British Government he was not to append his signature to these; the British must not gain the impression that the Reichsbank was in any way guaranteeing that any firm promises to transfer interest could be punctually carried out.

We have sent copies of this letter to the Reich Minister of Economics and to the Reich Minister of Finance.

Directorate of the Reichsbank
HJALMAR SCHACHT DREYSE

¹ See documents Nos. 44 and 49.

No. 54

7264/E532978-79

The Foreign Ministry to the Directorate of the Reichsbank

BERLIN, July 3, 1934.
zu W 5406.¹

I have the honour to acknowledge receipt of your communication of July 3, 1934, No. IIa 14043.¹

With reference to the first sentence of paragraph 2, I should like to correct this and state that the decision mentioned therein was not taken by the Foreign Ministry but jointly by the competent Ministers, namely, the Foreign Minister, the Reich Finance Minister and the Reich Minister of Economics. Neither at the discussions which preceded this decision nor in the decision regarding the transfer of Dawes

¹ Document No. 53.

and Young loan interest was any reservation made that the non-discrimination demanded by Britain should be made reciprocal. The Foreign Minister and State Secretary Posse only mentioned this reservation to me after today's Cabinet meeting² and then in connexion with possible transfer agreements in respect of non-Reich loans. I have noted that the Reichsbank regards it as self-evident that the non-discrimination clause refers also to the service of the Dawes and Young Loans interest. I informed the German Embassy in London at once of the Reichsbank's views on this point.³

In regard to paragraph 3, I would inform you that it is not yet clear whether written agreements with the British Government will eventuate or whether there will simply be unilateral declarations. Should there be written agreements, these will be signed either by our Ambassador in London or by the head of our delegation or by both jointly.

I have sent copies of this communication to the Reich Finance Minister and to the Reich Minister of Economics.

By order: .
RITTER

² The Cabinet meeting at which the draft law on "the use of economic reprisal measures against foreign countries" had been approved. See document No. 36.

³ See document No. 58.

[EDITORS' NOTE. On June 30, in the afternoon, Göring held a press conference in the Ministry for Propaganda and announced that the Government had known for some weeks that a clique of SA leaders wanted to start "a second revolution". The Führer had decided to take action against them and had that day in Munich ordered the arrest of all disloyal SA leaders, including the Chief of Staff of the SA, Röhm. Similar action had been taken throughout Germany by the Secret State Police and the SS. Some of those arrested had committed suicide and others had been shot while resisting arrest. Peace now prevailed throughout Germany. Göring added that amongst those shot while resisting arrest was General von Schleicher (Reich Chancellor, December 1932-January 1933).

During the evening of June 30, three further announcements were issued:

(1) A decree by Hitler deposing Röhm from his post of Chief of Staff of the SA and expelling him from the Party, and appointing Obergruppenführer Lutze Chief of Staff in his place.

(2) The text of a letter from Hitler to Lutze expressing confidence in him and in the future of the SA under his leadership.

(3) A communiqué from the Party Press Office in Munich stating that "certain elements" had attempted to sow discord between the

SA and the Party, and the SA and the State, and accusing Röhm of, *inter alia*, moral delinquency, entering without the Führer's knowledge into negotiations with General von Schleicher which, in turn, through certain (unnamed) intermediaries, had led to contact being made with "a foreign Power or its representative"; this latter circumstance had rendered it impossible for Hitler to avoid intervention any longer. The communiqué then gave an account of the action taken to counter the plot and of an address given by Hitler at noon that day to the senior SA leaders. On July 1 Göring held a second press conference in which he gave further details of the plot and the action taken. An announcement that Röhm had been shot appeared in the press on July 2. See document No. 55.]

No. 55

3598/795564-71

Minutes of the Conference of Ministers held on July 3, 1934, at 10 a.m.

Rk. 6076.

Present:

The Reich Chancellor	Adolf Hitler
The Reich Minister for Foreign Affairs	Freiherr von Neurath
The Reich Minister of the Interior	Dr. Frick
The Reich Finance Minister	Count Schwerin von Krosigk
For the Reich Minister of Economics	State Secretary Dr. Posse
The Reich Minister of Labour	Seldte
The Reich Minister of Justice	Dr. Gürtner
The Reichswehr Minister	von Blomberg
The Reich Minister of Posts and Communications	Freiherr von Eltz-Rübenach
The Reich Minister of Food and Agriculture	Darré
The Reich Minister for Public Enlightenment and Propaganda	Dr. Goebbels
The Reich Minister for Air	} Göring
The Prussian Minister President	
The Reich Minister of Science, Education and Public Instruction	Rust
Reich Minister without Portfolio	Hess
Reich Minister without Portfolio	Kerrl
The Prussian Finance Minister	Dr. Popitz
The President of the Reichsbank	Dr. Schacht
The State Secretary in the Reich Chancellery	Dr. Lammers

The State Secretary in the Office of
the Reich President

Reich Press Chief

In charge of the minutes:

Dr. Meissner

State Secretary Funk

Ministerialrat Dr. Thomsen

Furthermore: The State Secretaries Pfundtner, Reinhardt, Feder, Krohn, Ohnesorge, Milch.¹

Subject of discussion: Political situation.

The Reich Chancellor gave the following detailed account of the events which led to the revolt of June 30 and to the measures necessary for their suppression.

For over a year he had been watching the activities of the former Chief of Staff, Röhm,² and had hitherto refrained from taking ruthless action only because of the political situation in which Germany was placed. Under Röhm's leadership there had been formed a select clique of SA leaders, which was held together not by loyalty to the Movement but merely by personal ambition and a peculiar tendency. The former Chief of Staff, Röhm, who had repeatedly given him, the Reich Chancellor, his word of honour and for whom he, the Reich Chancellor, had time and again covered up, had betrayed him most grievously. The unfortunate tendency of the former Chief of Staff explained not only why the posts of SA leaders were filled with inferior personnel but also why he [Röhm] had deliberately waged war on the Wehrmacht. This clique, under Röhm's leadership, had attacked him in a slanderous way, because he had seemed to them to be too lenient. Their attacks upon the composition of the Reich Cabinet were in reality directed against the spirit of National Socialism. It would have been an inconceivable disaster for the German people if these men had come to power.

On January 30, 1933, he had deliberately adopted an attitude by which he intended to stretch out a hand to all his fellow-countrymen who were men of good will. The formation and composition of the Cabinet and its unreserved profession of confidence in [*Bekanntnis zur*] the Wehrmacht had also been based on this attitude.

The former Chief of Staff, Röhm, had for a whole year consistently been making preparations for a revolution. He had transformed the SA into an instrument which he, the Reich Chancellor, had rejected. It was Röhm's wish that the SA should be turned into a State within the State. He [Hitler] had even quite recently entreated the former

¹ Respectively State Secretaries of the Reich Ministry of the Interior, the Reich Finance Ministry, the Reich Ministry of Economics, the Reich Ministry of Labour, the Reich Ministry of Posts and Communications and the Reich Air Ministry.

² See Editors' Note, p. 117.

Chief of Staff, in a four-hour conversation,³ to cease his activities. It had all been in vain. Röhm had indeed promised him all he had asked for, but behind his back he had done the exact opposite. Nor had Röhm adhered to the agreement between the Reichswehr and the SA,⁴ which it had taken considerable effort to achieve. After his talk with him, the Chancellor, Röhm had taken the SA leaders aside and had told them that the Reich Chancellor had spoken to them in this way because of the international situation but that he really shared Röhm's views. He was accusing the former Chief of Staff of disingenuousness and disloyalty.

The most diverse groups had in the course of time coalesced, amongst them also circles who themselves had not intended a *coup d'état*, but who had, nevertheless, been interested in a change in present conditions. He had known for a long time of the relations between Röhm and Schleicher,⁵ which had been established by the agency of Herr von Alvensleben.⁶ It was from this quarter that contacts with France had been made, with the aim of obtaining assurances that France would not make any difficulties for an alternative Government in Germany. Gregor Strasser⁷ had also taken a considerable part in this action. Schleicher himself, however, had rejected the idea of forming a new Government or becoming a member thereof.

The former Chief of Staff's tactics had been to represent his action as being, in itself, not directed against Hitler, and he had thus deliberately betrayed the confidence of decent SA men. He had wanted to confront him, the Chancellor, with the choice of either giving him more independence in his capacity of Chief of Staff or of accepting his resignation. This threat of resignation had been nothing but a piece of impertinent blackmail.

When Röhm saw that he was not achieving his object in this way he had ordered a month's leave for the whole of the SA. His plan was to have acts of terrorism committed by special groups during this period in order to create the conviction amongst the people that no Government was possible without the SA. At the same time he had issued orders to the SA groups to the effect that the SA should be armed in

³ Hitler gave his account of this conversation in June 1934 in a speech to the Reichstag on July 13, 1934; see *The Speeches of Adolf Hitler, April 1922-August 1939*, edited by Norman H. Baynes (London, 1942) (hereinafter cited as Baynes: *Hitler's Speeches*), vol. I, pp. 315-316.

⁴ The reference is apparently to the agreement reported to have been reached on board the *Deutschland* in April 1934; see *Weissbuch über die Erschiessungen des 30. Juni 1934* (Paris, 1934), pp. 51-52.

⁵ See Editors' Note, p. 117.

⁶ Werner Freiherr von Alvensleben, a member of the *Herrenklub* and a confidant of von Schleicher.

⁷ Gregor Strasser, an early adherent of the NSDAP and one of its leaders, who broke with Hitler on the question of participation in the Schleicher Government in December 1932. He was executed on June 30, 1934.

every possible way. The Reichswehr Minister had submitted a document to him, the Reich Chancellor, from which it emerged that this order for the supply of arms had been given. The former Chief of Staff had done this with the idea of being able some day to put up a solid opposition to the Reichswehr. The fact of high treason had thus been completely established.

Röhm and the SA leaders engaged in this plot with him had surrounded themselves with staff guards who were almost exclusively men who had previously served heavy prison sentences.

According to reports received, the action prepared by Röhm was to have started at 4 p.m. on Saturday June 30. It was necessary to act at once in order to prevent a catastrophe, especially as Röhm's tactics were to be to win over the SA men to his side by telling them that Hitler was no longer behind them.

He, the Chancellor, had thereupon convened a meeting of all the SA leaders at Wiessee, the place where the former Chief of Staff was staying. He had intended to announce personally at this meeting of the leaders that Röhm was under arrest. In the meantime, however, he had been informed that the mobilization of the SA had already been ordered in Berlin for Saturday afternoon. He had therefore decided to take immediate action, the success and details of which were known to the members of the Reich Cabinet.

If certain quarters were to raise objections on legal grounds to the way in which the revolt had been suppressed, he could only reply that it was a case of military mutiny for which there could be no proceedings in the nature of a trial. If mutiny broke out on board ship, it was not only the Captain's right but his duty to suppress this mutiny at once. If he, the Chancellor, had not taken prompt action, fighting between the SA and the police would have broken out in many places in the Reich. This could not be allowed to happen. To make an example of them as he had done was not only a matter of putting down the revolt but also of making it clear to every single one of the leaders and men of the SA that he risked his neck if he in any way conspired against the present regime.

Although the extent of guilt had not been fully established in all cases and he himself had not ordered all the executions under martial law, he assumed full responsibility for the execution of forty-three traitors, since the Reich and possibly the lives of innumerable other people had thus been saved.

He had appointed a new Chief of Staff of the SA whose main task it would be to train and build up a better SA and to bring about better relations between the SA and the Wehrmacht.

There was no question of subsequent trials. The example he had made would serve as a salutary lesson for all time. He had firmly established the authority of the Reich Government for ever.

He asked the Reich Cabinet to pass the bill he had submitted on measures for the defence of the State in an emergency [*Massnahmen der Staatsnotwehr*]. This bill was not being enacted in order to cover up an infringement of the law but to legalize an action by which the whole nation had been saved from incalculable harm.

The Reichswehr Minister thanked the Chancellor on behalf of the Reich Cabinet for the resolute and courageous action by which he had saved the German people from a civil war. The Chancellor, as became a statesman and a soldier, had acted in a spirit that had called forth from the members of the Reich Government and from the whole German nation a solemn vow of toil, loyalty and devotion at this grave hour.

The Reich Minister of Justice stated that the bill did not create fresh legislation but merely confirmed existing legislation.

The Reich Cabinet approved the bill on measures for the defence of the State in an emergency. The single article of the bill reads as follows:

"The measures taken to suppress treasonable and seditious acts on June 30 and July 1 and 2, 1934, have become law for the defence of the State in an emergency."

For the Minutes:
THOMSEN

No. 56

6114/E454293-94

The Foreign Minister to the Embassy in Italy

Telegram

No. 193

BERLIN, July 4, 1934—8:35 p.m.
zu II Oe. 1650.¹

With reference to your report No. I 757 of June 28.¹

Concerning the language you should hold, your attention is primarily drawn to paragraph 2 of the memorandum² of which you have a copy, and which was drawn up at the time by Suvich in Venice with Hitler's and Mussolini's approval, as representing the Reich Chancellor's attitude to the Austrian problem. According to this record the two statesmen agreed that a neutral personage, that is to say someone not

¹ Not printed (6112/E453492-95). Hassell reported that he had learned at the Italian Foreign Ministry that Dollfuss would be visiting Mussolini at Riccione late in July. In the Italian view an increase of French influence in Vienna should be prevented, and therefore Dollfuss' demand for a cessation of terrorist activities should be met. Hassell had further learned that, in opposition to Suvich, Mussolini was of the opinion that the Austrian problem would have to be solved by friendly negotiation with Germany.

² See document No. 7.

bound by party politics, must be placed at the head of the Austrian Government. Nothing has since happened here to change this view. The precondition that terrorist activities in Austria must cease before a settlement between Vienna and Berlin could be reached, which the Palazzo Chigi told you the Austrian Federal Chancellor was demanding, is beside the point since we continue to regard it as impossible to solve the Austrian question with Dollfuss. To discuss the question on this basis does not, therefore, seem likely to bring it nearer to a solution.

NEURATH

No. 57

6695/H100140-43

The Ambassador in France to the Foreign Ministry

Telegram

URGENT

No. 919 of July 4

PARIS, July 4, 1934.

Received July 5—12:30 a.m.

IV Ru. 3160.

With reference to your telegram No. 340 of July 3 (IV Ru. 3128).¹

The report by the Chargé d'Affaires in Moscow agrees with a conversation which I had a few days ago with the Secretary General here, on which, however, I did not wish to report just yet, as the conversation could not be brought to a conclusion. I have arranged with the Secretary General to see him again at the end of next week, that is after his return from London.² Léger tried to explain to me again the advantages which would accrue for Germany from the acceptance of Litvinov's proposals. The pact would not only bring about a widespread pacification and consolidation in Eastern Europe, but would also make it possible for France to cooperate more closely with Germany on all Eastern questions. It was regrettable that Litvinov's proposals had found no response in Berlin. I pointed out to Léger that he appeared to have an erroneous idea that we had rejected the proposals. Up to the present we had not seriously dealt with the problem at all. Litvinov, in his conversation with the Foreign Minister,³ had expressed a few ideas about an Eastern Pact, which, however, were not sufficient for us to make a serious study of the problem. From what he told me, I had the impression that the report put about by the Russians, that the Reich Foreign Minister had rejected the proposal, had found credence here. The Secretary General confirmed that this was so and thanked me for my information. Continuing, the Secretary General

¹ See document No. 51 and footnote 6 thereto.

² i.e., with M. Barthou; see document No. 84.

³ On June 13; see vol. II of this Series.

explained that if the so-called Eastern Locarno did not materialize, France would be more or less compelled to conclude an alliance with Russia. This was not a question of repeating the old Franco-Russian policy of alliance, but only of an action exclusively designed to secure peace in Europe. Poland's attitude caused concern to France; it was divided, and had seriously disturbed French public opinion. France must therefore seek the stabilization of peace in Europe on a broader basis. I told the Secretary General that I could not follow this argument. The best guarantee for peace in Europe was a stable relationship based on mutual confidence between Germany and France. France apparently could not rid herself of the thought that she must seek her blessings further afield, although they lay so near. Apart from this, France forgot that the Russia of today was developing more and more into a State with an Asiatic mentality, an outward sign of which might be seen in the transfer of the Government from St. Petersburg to Moscow, and in the fact that the individual was of no interest to the State. It was becoming increasingly obvious that European frontiers were being moved to the Russian-Polish frontier. Furthermore, Russian policy showed that in foreign policy Russia had turned her face to the East, and by proposals such as the Eastern Pact was pursuing the objective of providing herself with rear cover. Apparently the basis on which the Franco-Russian alliance is to be built is the fear of Germany which exists in France, and similar feelings of fear existing in Russia of being attacked in the rear in the event of a conflagration in Asia. I could only repeat to him that we had but one wish, namely to live in peace with all our neighbours, and, by cooperation in the economic reconstruction of Europe, to bring about a speedy recovery. We had a very special interest in this, as it was the only way in which we could achieve our main object, which was to be released from our heavy burden of unemployment. The conclusion of a Franco-Russian alliance would not assist in the achievement of this object; political alliances and the conclusion of trade treaties were not always inter-related. Public opinion in Germany, which from pre-war experience must regard this alliance as purely political or even military, would only be disturbed by it, and would view with the greatest suspicion any future proposals for improving relations with Germany. At this point the conversation ended.

I used the time between the two conversations with Léger to obtain information on the general attitude, in political and industrial circles, to such an alliance. The attitude of the Governor of the Bank of France is reported in my telegram No. 896 of June 29;⁴ see also tele-

⁴ Not printed (8813/E613726-27). Köster had reported that the Governor of the Bank of France, M. Moret, had pronounced himself opposed to the granting of credit to the Soviet Union, and had stated that there was much scepticism in French business circles concerning a Franco-Russian *rapprochement*.

gram No. 903 of June 30⁵ regarding the French financing of business with Russia. People in military circles do not seem to be very convinced of the value of the Russian army, particularly General Weygand. But I am repeatedly receiving information to the effect that one of the closest colleagues⁶ of Weygand, whose name was given to me but does not appear in the Army List (apparently an officer secretly attached), was trying to convince the General of the contrary, particularly as to the strength of the Russian air force.

The greatest impetus to the conclusion of a Russo-French alliance is being given by Herriot,⁷ who is supported in this by the former Minister of Education, de Monzie,⁸ who, particularly in intellectual circles, is advocating a Russo-French *rapprochement*. That Monzie is supposed to have been receiving money from Russia for years, may be known to you. In the Chamber they are, I hear, too busy at the moment with their own troubles to deal with the problem, but in the Senate a certain amount of serious opposition to such ideas for an alliance may be perceived. Many senators fear that it will be an unnecessary burden on French foreign policy, and support the view that good business can be carried on with a State even if there is no alliance with it. Much will depend on the attitude of the chairman of the Senate Committee for Foreign Affairs, Béranger, whose relations with Barthou appear to be exceptionally bad. I intend to see M. Béranger during the coming week, and will make a report.⁹

Public opinion in the country appears to be somewhat divided. As far as it was possible for me to ascertain, many people fear new financial sacrifices and they wish first to clear up the problem of the pre-war debts. In addition, they are against any undertaking which might involve France in any sort of adventure.

A person who is particularly well acquainted with the way the Quai d'Orsay thinks, told me that some of the most important members were "mad" about the idea of a Russo-French alliance. They dream of an alliance with Russia and a Mediterranean agreement with Italy, and, connected with these, a reconstruction of the military agreement with Poland, who must then give way, and with the Little Entente, in keeping with these combinations. The main lines for this have already been settled. If this project succeeds, Germany will then have

⁵ Not printed (8813/E613728); in this telegram Köster had reported that the French Minister of Commerce, Lamoureux, had told him that Russian orders worth 145 million francs would be placed soon with a credit of twenty-two months' duration.

⁶ The draft of this telegram in the files of the Paris Embassy (8760/E610935-40) bears at this point the marginal note: "According to the attached information from the Mil[itary] Att[aché] [8760/E610941] this is Lt. Colonel de Lattre de Tassigny. Sept. 23, 1935."

⁷ Minister without Portfolio.

⁸ Anatole de Monzie, member of the Chamber of Deputies and a former Minister of Education.

⁹ No such report has been found.

only to choose whether she will join in, or go into isolation, when there would then be no cause for France to have any more headaches. A conversation which I had the day before yesterday with Ambassador Pignatti here confirmed, moreover, the information which Attolico gave our Ambassador in Moscow concerning his talk with Léger.¹⁰ A further report may follow.¹¹ KÖSTER

¹⁰ See document No. 51.

¹¹ No such report has been found. The text of the document here printed with some minor alterations was circulated by telegram or cypher letter to the Missions concerned on July 5 (6695/H100144).

No. 58

7264/E532970-71

Memorandum by the Director of the Economic Department

BERLIN, July 4, 1934.

W 5405.

After the Cabinet meeting on July 3,¹ the Foreign Minister gave me the following instructions by telephone for London:

If the negotiations in London should fail, Britain must not be given the opportunity of attributing their failure to Germany's rejection of non-discrimination. Berger should therefore promise Britain that we would not discriminate against her in relation to other countries, provided she promised us that equality of treatment would be reciprocal.² That is to say, we will treat Britain in the same way as we might be treating Switzerland and Holland, provided Britain treated us in the same way as Switzerland and Holland did. If we managed to get something more advantageous from other countries, then Britain must also allow this to apply in reverse.

A promise to pay four per cent interest on any funding bonds must be refused as being a separate obligation.

State Secretary Posse, with whom I afterwards spoke on other matters, has confirmed to me that these instructions also reflect his views. At the same time he informed me particularly that these instructions conformed to a suggestion made by the Reich Minister of Finance.

I transmitted these instructions to Herr Berger by telephone at three o'clock. I also took the opportunity of quoting to him the following passage from the British Embassy's *aide-mémoire* of July 3:³

¹ See document No. 54, footnote 2.

² Marginal note at this point: "This means that if we can obtain a lower rate of interest on the Dawes and Young Loans in any one country, this would also have to operate in Britain. v. N[eurath], July 4."

³ This *aide-mémoire* (7264/E532965-66), which is in English in the original, reads:

"His Majesty's Government might be able to accept an assurance of non-discrimination having regard to all the provisions (including commercial advantages) of any agreement with other countries, instead of an assurance limited to the question of debt service alone."

I told Herr Berger that the meaning of this passage was not quite clear but it could hardly be understood otherwise than in the sense of his instructions as noted above. I presumed, therefore, that the terms of the above instructions would be acceptable to Britain.

With regard to non-discrimination in the field of trade and foreign exchange, I told Herr Berger he should stress once again that we could, of course, give the most definite assurances that we had no intention of discriminating against Britain. We could not undertake to guarantee that there would not in fact be any unintentional discrimination, unless Britain were prepared to conclude a bilateral clearing agreement with us on a basis similar to that which we have offered Switzerland and France. I have left it to Herr Berger's discretion whether to offer to negotiate with the British Government on the basis of a similar proposal.⁴

To be submitted to

the Reich Minister
the State Secretary
Department II

Herr Ulrich
Herr Baer

RITTER

"After the satisfactory progress made in the transfer negotiations in London on June 30th, the position has been made less hopeful by the instructions received by the German representatives yesterday.

"The German Government on June 30th agreed to the full payment in October and December on the sterling issues of the Dawes and Young Loans and on the holdings by United Kingdom residents of non-sterling issues of these loans. On July 2nd the German representatives desired to except non-sterling issues but His Majesty's Government must insist on the arrangement reached on Saturday.

"As regards non-Reich loans, the British negotiators pointed out that both the creditors and His Majesty's Government have stated repeatedly they can only accept offer of funding bonds provided there is no discrimination. The German Government refuses this collaboration. His Majesty's Government might be able to accept an assurance of non-discrimination having regard to all the provisions (including commercial advantages) of any agreement with other countries, instead of an assurance limited to the question of debt service alone.

"As regards trade, the British representatives desired an assurance that either the volume or the proportion of United Kingdom trade would not diminish and also that there would be no discrimination by quotas or licences or control of payments. The German representatives refused absolutely to admit any binding article into what they regarded as a financial agreement, but they accepted a general affirmation of non-discrimination in the preamble.

"They also agreed to send a letter concurring in the immediate negotiation of a Sondermark agreement and it has been suggested to them that this letter might contain an assurance regarding non-discrimination against British trade.

"His Majesty's Embassy has been instructed to urge the German Government to agree to an early settlement of the outstanding points as given above."

A memorandum by Ritter, W 6542 of July 2 (7265/E533062-65), records the instructions which he had telephoned that day to London.

⁴ An Anglo-German Transfer Agreement was signed in London on July 4. For the text, together with the text of an exchange of letters between Berger and Leith-Ross, see British White Paper, Cmd. 4640 of 1934: *Anglo-German Transfer Agreement*.

No. 59

8626/E604594-06

The Chargé d'Affaires in Turkey to the Foreign Ministry

A 1055

TARABYA, July 4, 1934.

Received July 10.

III O 2442.

POLITICAL REPORT

Subject: The Ghazi on the events in Germany.

The President of the Republic, Mustafa Kemal Pasha, received the outgoing Russian Ambassador, Suritz, in private audience the day before yesterday. Only Ismet Pasha¹ was present at the interview.

M. Suritz has told me the following in confidence:

The Ghazi spoke to him only about Germany. He attached the greatest importance to German affairs and had great admiration for that country and its leaders. It was, therefore, of great value to him that the Soviet Government had chosen an Ambassador for Berlin who had Litvinov's complete confidence and who could also put forward Turkey's wishes. The Ghazi requested M. Suritz to work in Moscow towards securing an improvement in Russo-German relations, to which Turkey attached particular importance. M. Suritz commented on this that he had never heard the Ghazi speak with such interest about Germany as at this conversation.

The Ghazi enquired about the reasons for Nadolny's departure² and M. Suritz told him that this was not due to material differences with the Wilhelmstrasse.

He then spoke about the recent events in Germany. On Ismet Pasha's attributing the events to economic differences in the National Socialist Workers' Party—differences between the right and left wings—the Ghazi replied that this seemed improbable to him. They were, rather, events of a kind which had followed other revolutions, and which made the elimination of old fellow-combatants necessary as soon as they endeavoured to obtain a special position for themselves on the strength of their past services. It had been thus in Turkey, and thus when Mussolini froze out his old fellow-combatants, although only after a lapse of four years, and it was the same in Russia where, as M. Suritz added, the elimination of generals of the Red Frontline Army had cost bloody battles. The Ghazi thought that these things went more quickly in Germany because the whole movement was much larger and stronger than for example in Italy. He regarded the events

¹ General Ismet Pasha, the Turkish Minister President.

² See vol. II of this Series, letter of June 7, 1934, from Nadolny to Bülow.

as a great strengthening of the position of the Reich Chancellor who, because he had himself taken action, deserved the greatest admiration; for they made the Reich Chancellor more independent of the SA and based his strength once more on the Reichswehr and the State Police, which should be the real pillars of authority in the State.

The Ghazi was of the opinion that the fact that there were economic differences within the Party had been of no account in the present events, nor was it of any significance now; a slow development was preferable here in any case.

The question of maintaining the stability of the Reichsmark was naturally very important. But leaving the gold standard was not of such great importance as was often stated. The Turkish currency was not on the gold standard either and it had maintained itself. The only important question was that regarding raw material supplies for German industry. Germany would also have to avoid falling out with Britain over the transfer question.³

Germany's position in international affairs could be improved. He attached great importance to this because it would contribute towards strengthening world peace.

On leaving, M. Suritz again asked me to treat his information as *strictly confidential*.⁴

FABRICIUS

³ See document No. 49 and footnotes thereto.

⁴ This document is marked "The Chancellor is informed. L[ammers], July 17."

No. 60

1574/381280-81

Memorandum by the State Secretary

BERLIN, July 5, 1934.

As instructed, I telephoned Herr von Hoesch at midday today and told him that he was to carry out his instructions¹ about Locarno unaltered, even if Herr von Ribbentrop had expressed the wish to have alterations made. I asked him if this was [in fact] the case. Herr von Hoesch told me that he had, both yesterday and today, received a telephone call from Ribbentrop, who had given three instructions supplementing and altering our despatch. He [Hoesch] had told him [Ribbentrop] that one of these points was so unclear that he could not carry out Herr von Ribbentrop's instruction without written authority. Thereupon Herr von Ribbentrop had said that he would send an emissary, whose name began with F., who would come to the Ambassador

¹ See document No. 52.

at 9:30 a.m. tomorrow. He—Herr von Hoesch—had thereupon postponed his conversation with Sir John Simon until 3 o'clock tomorrow afternoon.

I asked Herr von Hoesch what these desired alterations were. As far as I could understand—we spoke in guarded language—Herr von Ribbentrop wishes it to be emphasized that we are still prepared to conclude a separate non-aggression treaty with Belgium and further that Herr von Hoesch should propose a “reciprocal guarantee” [*wechselseitige Garantie*]. What this was supposed to mean I could not understand. I told Herr von Hoesch that the sense of my instructions was to tell him that he received his instructions only from the Foreign Ministry and not from Herr von Ribbentrop as well. Herr von Ribbentrop was not in a position to give instructions to our Missions.

Hoesch told me that Herr von Ribbentrop had taken the opposite view and had moreover stated that the contents of the despatch and the negotiations on a non-aggression pact with Belgium fell within the bounds of his competence.

Herr von Hoesch requested that the question of whether Herr von Ribbentrop was entitled to give instructions to him—Hoesch—should be cleared up, if possible before his conversation with Simon at 3 o'clock tomorrow afternoon.²

BÜLOW

² No record of any further communications to Hoesch about Ribbentrop's powers has been found.

No. 61

6695/H100145-46

The Ambassador in Italy to the Foreign Ministry

Telegram

No. 142 of July 5

ROME, July 5, 1934—8:15 p.m.

Received July 6—12:10 a.m.

IV Ru. 3170.

With reference to your telegram No. 192 (IV Ru. 3128).¹

Before your telegram was received, Mussolini, in a conversation, came to speak about Russo-French policy. He denied the existence of a pact policy and thought the fuss should be treated calmly. He said that the talk about the Mediterranean pact was typical, Italy, a leading Mediterranean Power, having not the slightest knowledge of it either officially or unofficially, and having no inclination for it whatever. Barthou would go to London with the dice loaded rather heavily

¹ See document No. 51 and footnote 6 thereto.

against him, i.e., he would find little understanding there for his ideas. As to his visiting Rome, it was only at his suggestion that it was discussed at Geneva, and Aloisi, to questions about it, naturally gave politely affirmative answers. There had been no official invitation to Barthou, and in any event a visit would not take place before the autumn. With regard to Russia, information had been received that Litvinov's policy was meeting with increasing opposition in Soviet circles; one now had the impression that Russia was reverting to the idea of entering the League of Nations. Italy had no objection to this entry, but did object to its being combined with a policy of a Franco-Russian bloc.

In the Palazzo Chigi, the contents of telegram No. 192 of the 3rd of this month were spontaneously repeated and confirmed. Like Attolico, the Palazzo Chigi recommends agreement in principle with the Russian suggestion, in order to prevent the otherwise threatened conclusion of the Franco-Russian alliance. According to views held here, the Russians will be very ready to listen to reason concerning the drafting, in view of the opposition to it, which is also confirmed by the Palazzo Chigi, which desired to avoid a breach with Germany.²

HASSELL

² The text of the document here printed, with some minor amendments, was circulated by telegram or cypher letter to the Missions concerned on July 6 (6695/H100147).

No. 62

6114/E454297-98

The Ambassador in Italy to the Foreign Ministry

Telegram

No. 141 of July 5

ROME, July 5, 1934—8:45 p.m.

Received July 6—0:10 a.m.

II Oe. 1678.

In my yesterday's conversation with Mussolini, which took place before the arrival of telegram No. 193 of July 4,¹ I enquired about the forthcoming visit of Dollfuss at the end of July and Mussolini confirmed it. On my remarking that it was very fortunate that Mussolini had now been accurately informed by the Reich Chancellor about the German point of view and the true situation in Austria, and could confront Herr Dollfuss with this knowledge, Mussolini agreed, but added that, in view of the continued acts of violence against the Austrian Government, he could not advise Dollfuss to start negotiations with the National Socialists. No Government in the world could

¹ Document No. 56.

be expected to negotiate under such pressure. In response to my objection that the pressure seemed to me to be coming more from the Austrian Government, who were suppressing National Socialism by all possible means and were themselves responsible if the National Socialist movement, lacking freedom of action within the law, was seeking an illegal outlet, Mussolini remarked that it was not possible to draw a parallel between a Government in office, holding power, and an opposition movement. No Government would, of their own accord, more or less abdicate in favour of a movement which was fighting them by all possible means; for that was what it really amounted to. On the other hand, he was in full agreement with the last point in the statement of German views on the Austrian question which we had drawn up in Venice,² that is to say, with the idea of friendly German-Italian cooperation over the Austrian problem. But the Germans should now keep quiet for a few months, stop the terrorist actions, and thus create an atmosphere in which it would certainly be possible to reach a settlement on the lines of this last point. I objected that the conduct of the National Socialists in Austria was in no way being directed from Germany but was a natural outburst by an oppressed movement. Mussolini replied that Austrians would always remain Austrians, and that a hint from Berlin would undoubtedly be enough to stop the Austrian National Socialists committing acts of terror and the like. He hoped, particularly at the present moment, that events in Germany would facilitate such a new policy. He repeated that at any rate he was in absolute agreement with Point 5 of the German views as drawn up in Venice, always provided that there was first of all a *détente*.

An additional report,³ in reply to your telegram No. 193 of July 4, will follow by today's courier.⁴

HASSELL

² See document No. 7.

³ In despatch No. I 774 of July 5, 1934 (6114/E454304-05) Hassell pointed out the divergence between Italian and German views arising from the fact that whereas the German Government regarded the five points on Austria as a programme agreed by the two Governments, he had gained the impression from his conversations with Mussolini that, whilst he had been glad to learn of the German view, he had not expressed his agreement with it. Nor could this agreement be read into the documents Hassell had received on this question [see documents Nos. 5, 7 and 19]. He also drew attention to the discrepancy between the version of Point 5 as given in documents Nos. 5 and 7, the first referring to "all economic matters" and the second to "all matters" concerning Austria which were to be decided by Germany and Italy in agreement.

⁴ This document is marked "Dir[ector of Department] II. For information. v. N[eurath], July 6." On July 9, 1934, Heinburg minuted (6114/E454303): "The Chancellor did not give any specific instructions to the Foreign Minister concerning the telegram from Rome of July 5, when this was reported to him, but said in general terms that there was no urgency regarding the Austrian question. The Legation in Vienna is therefore not being informed and no action will be taken for the present."

No. 63

7475/H186625

The Foreign Minister to the Embassy in Great Britain

Telegram

No. 206

BERLIN, July 5, 1934—9:20 p.m.
zu II Abr. 1821¹ Ang. IV.

With reference to the telephone conversation between Ribbentrop and Ambassador von Hoesch:²

1) As already stated in telegram [*sic*] No. 1821,³ you are instructed to oppose any statement by Britain aimed solely against Germany, such as Simon proposed in telegram No. 183 of June 30,¹ and to mention that if need be such an announcement by the British Government could only be answered with a reminder of Britain's guarantee obligations towards Germany.

2) We would welcome a fresh affirmation of faith in Locarno by Britain.

3) I would request you to ask Simon whether and to what extent Britain is prepared to meet Belgium's wishes for increased security.

4) Germany is still prepared to conclude a non-aggression pact with Belgium.

5) In such an event negotiations would be conducted directly with Belgium. Helpful mediation by Britain over this would be welcomed by us.

NEURATH⁴

¹ Document No. 47.

² No record of this telephone conversation between Ribbentrop and Hoesch has been found. See however document No. 60.

³ See document No. 52.

⁴ The original draft (7475/H186626-28), which may have been dictated by Ribbentrop, reads: "The following is supplementary to the despatch of July 3 and in reference to Ribbentrop's telephone conversation with Ambassador Hoesch: 1) As already stated in telegram [*sic*] No. 1821, you are instructed to treat in a negative manner any one-sided statement by Britain, such as Simon proposed in telegram No. 183 of June 30, and to mention that if the case arose an announcement by the British Government could only be answered with a reminder of Britain's guarantee obligations towards Germany. 2) We would welcome a fresh affirmation of faith in Locarno by Britain provided that the British guarantee to both sides was clearly expressed in such a Government statement. 3) As Britain would doubtless wish to meet Belgium's wishes for increased security I request you in discussing the matter with Simon to enquire as to what extent Britain for her part would be prepared to meet Belgium in this question. It would be advisable to tell Simon that, with the pacification of the international situation in view, it could only be greatly welcomed by Germany if Britain for her part would contribute to this and perhaps make a statement in Parliament on the inviolability of Belgium's eastern and western frontiers. 4) Germany has for her part declared her readiness to conclude a non-aggression pact with Belgium and thus proved that she in turn also desires to do everything to satisfy Belgium. This readiness still exists. 5) There is no objection to the early conclusion of a non-aggression pact with Belgium. If such a pact, perhaps with British assistance, could be concluded before the British Parliamentary recess on July 28, there would be no objection to a synchronization of the conclusion of the pact with the British statement in Parliament, if Simon would make the statement on the lines suggested in paras. 2) and 3) of this telegram. 6) If the conclusion of

No. 64

2406/510851-53

Memorandum by the Foreign Minister

BERLIN, July 5, 1934.

RM 788.

The French Ambassador, who returned from his leave in Paris on Saturday,¹ called on me yesterday. M. Poncet said that he had had several long conversations with M. Barthou at which the main subject had been the question of the Eastern Pact. On this point he would let me have more detailed information next week.²

M. Poncet then spoke about the events of June 30³ here and complained that, in journalistic circles and amongst the public here, it was openly being said that the foreign Power mentioned in the official announcement⁴ was France and that, in particular, he and members of the Embassy were being accused of having conspired with the plotters against the German Government. M. Poncet asked for an official statement by me that this accusation was erroneous. I replied that, firstly, no official quarter had asserted that France was the foreign Power referred to. I was not responsible for rumours amongst journalists or the public. I must, however, decline to give him any statement. With as much justification as he had, the British Ambassador or the Czech Minister or the Polish Minister, and ultimately all the Heads of Missions accredited here, could come to me tomorrow to obtain such a negative statement.

M. Poncet then told me in detail about his relations with Herr von Schleicher, which he did not deny in any way. He also admitted accepting, together with Chief of Staff Röhm, an invitation from Herr Regendanz, at whose home he had spent an evening with these gentle-

¹ i.e., on June 30.

² No record of such a conversation between Neurath and François-Poncet has been found; but see documents Nos. 65, 85 and 86.

³ See Editors' Note, p. 117.

⁴ The statement issued by the Reich Press Office of the NSDAP on June 30, 1934, and published in the *Völkischer Beobachter* of July 1-2. See also document No. 55.

the Pact cannot be reached so quickly we could not but welcome a British affirmation of faith in Locarno on the lines proposed in paras. 2) and 3). 7) In this case the non-aggression pact negotiations would be conducted directly with Belgium. Helpful mediation by Britain over this would be welcomed by us."

This text is typewritten apart from the substitutions, in Ribbentrop's handwriting, in para. 1 of: "any statement by Britain aimed solely against Germany" for: "any one-sided statement by Britain" and in para. 7 of: "agreeable" for: "welcome". The changes bringing it into the form actually despatched were made in Neurath's handwriting. There are heavy blue crayon side lines and question marks in Ribbentrop's handwriting against Neurath's deletions from paras. 2, 3 and 5. See also document No. 73.

men. No hints regarding the plans of the conspirators, nor any attempts to persuade him or his Government to adopt a friendly attitude in the event of the conspiracy succeeding, had, he could assure me, been made. I told M. Poncet that he could hardly be surprised, however, if his name had been drawn into the discussion by people who were not fully informed, after it had been established that there existed a conspiracy against the Government led by precisely those people in whose company he had been. M. Poncet then protested against being forbidden to associate with a member of the Reich Cabinet and a former Chancellor with whom, as such, he had had official relations. I told him we were far from wishing to lay down any regulations as to who his associates should be, but then he for his part must also accept the consequences of his choice of associates. M. Poncet further complained that, in the order issued by the Chancellor about the future behaviour of SA leaders towards foreign diplomats,⁵ the sentence appeared: "We were not invited to luxurious dinners before, and we have nothing to look for there now." I explained to M. Poncet that this sentence had special reference to the extravagant manner in which the former Chief of Staff had issued invitations to and held banquets for foreign diplomats. Moreover he, Poncet himself, had told me that he had considered these invitations to be unsuitable and had therefore neither accepted them nor ever returned them. After the Ambassador had stated that there was great excitement in the diplomatic corps here, to which I replied that this excitement would soon die down, he dropped the subject, only adding that he hoped that the rumours he had mentioned at the beginning would not affect his personal relations with the Chancellor.⁶

V. N[EURATH]

⁵ The order of the Führer to the new Chief of Staff of the SA, Lutze, of July 1, 1934. An English translation of the text was published in the *Manchester Guardian* of July 2, 1934.

⁶ In a memorandum, RM 791 of the same date (2406/510854), Neurath recorded that François-Poncet had called again to complain that the U.P. release, repeated in *Der Angriff* (a Berlin newspaper founded by Goebbels in 1927) of July 5, 1934 (M44/M001201-02), on alleged French complicity in the Schleicher-Röhm plot might create a dangerous atmosphere. He had had a *démenti* issued by Havas, which was repeated in DNB release No. 1449 of July 5, 1934 (M44/M001203). Neurath replied that although restraint had been enjoined on the German press it was not easy to prevent them from reprinting foreign press releases.

No. 65

2406/510855

Memorandum by the Foreign Minister

BERLIN, July 5, 1934.

RM 789.

During his visit yesterday, the French Ambassador told me that he had had several discussions with M. Barthou about the proposed

Eastern Pact. M. Barthou had given an assurance that the plan did not pursue any policy of encirclement in relation to Germany, and that he regretted that he was regarded with such suspicion in Germany. I told M. Poncet that, after all, a certain amount of suspicion regarding M. Barthou's plan was understandable after the various speeches he had made during his last journey.¹ Apart from that, however, the circumstances were bound to give us cause for suspicion, for, on the one hand, the French Government stated that the plan came from Litvinov and was due to his initiative,² while, on the other hand, M. Litvinov had told me spontaneously that M. Barthou was the progenitor of the idea.³

The Ambassador then promised to call next week with detailed proposals concerning the Eastern Pact.⁴ I told him that we would study them carefully, and would base our attitude on the results of our study.

V. N[EURATH]

¹ See documents Nos. 39 and 41.

² See vol. II of this Series, Berlin circular telegram of June 7, 1934.

³ For Neurath's memorandum of June 13, 1934, on this conversation see vol. II of this Series.

⁴ There is no mention of the Eastern Pact in the record of François-Poncet's conversation with Neurath on July 10; see document No. 110, footnote 1.

No. 66

2784/540328

Memorandum by the Foreign Minister

BERLIN, July 5, 1934.

RM 790.

The Italian Ambassador called on me this morning. He came to obtain further details about the events of June 30 and enquired, in particular, who was meant by the foreign Power.¹ I told him that I must refuse to reply to this question as I would otherwise have to give a reply to all foreign diplomats.

Signor Cerruti then asked me if it was true that the Reich President had had to have a leg amputated. In turn, I asked him whether he thought it was possible that an eighty-six-year old man who was supposed to have had a leg amputated last Friday would be in a fit state to receive the Siamese Royal couple a week later.

Furthermore, Signor Cerruti wished to find out from me whether certain persons, whom he named, had been shot. I replied truthfully that I knew nothing about it.

V. N[EURATH]

¹ See Editors' Note, p. 117.

[EDITORS' NOTE. Under Article 99 of the Treaty of Versailles Germany renounced sovereignty over the Memel Territory in favour of the Principal Allied and Associated Powers. The status of the Territory was not settled until May 8, 1924, when a Convention was signed at Paris between Lithuania, who had seized the Territory in February 1923, and Great Britain, France, Italy and Japan representing the Principal Allied and Associated Powers (for the text see League of Nations: *Treaty Series*, vol. XXIX, pp. 85-115). Under the terms of the Memel Convention the Territory was given autonomy under Lithuanian sovereignty (see *Foreign Relations of the United States, The Paris Peace Conference, 1919* (Washington, Government Printing Office, 1947), vol. XIII, pp. 237-241; also Royal Institute of International Affairs: *Survey of International Affairs 1920-1923* (London, 1925), pp. 256-261). Under the Memel Statute, which was annexed to the Convention of 1924, executive power in the autonomous territory was exercised by a Directorate the members of which were appointed by a President of the Directorate, who was himself appointed by a Governor representing the Lithuanian Government. The Directorate was required to enjoy the confidence of the Landtag, the legislative body elected by universal suffrage.]

No. 67

3015/597729-31

Memorandum by the Director of Department IV

BERLIN, July 5, 1934.

IV Rd. 3231.

The Lithuanian Governor of the Memel Territory, Novakas, dismissed President Schreiber on June 28, 1934,¹ and appointed as his successor the National Lithuanian Reisgys on whom, as President of the Directorate, the Landtag passed a vote of no-confidence as early as 1930. Reisgys, for his part, immediately dismissed the two *Land* Directors of German origin and replaced them by National Lithuanians.

With regard to the communication of the German Note of protest² in London, Rome and Paris a few days ago, it is requested that the Ambassadors of these Powers here, and of Japan, should be received, be presented with a copy of the Note, and informed that, on the

¹ Since Feb. 8 when the Lithuanian Government had enacted the Law for the Protection of People and State, there had been increasing friction between the Governor and President Schreiber; see vol. II of this Series, unsigned memorandum of Mar. 22, 1934.

² Copies of the Note were sent to London, Paris and Rome under cover of despatch IV Rd. 3099 of July 3 (8921/E624193-202), the text of which was slightly amended by a telegram of July 5, No. 203 to London, No. 345 to Paris, and No. 194 to Rome (8921/E624221).

grounds set out in the enclosed memorandum, immediate intervention by the Signatory Powers³ is required.

Submitted to the Foreign Minister through the State Secretary.

MEYER

[Enclosure]

The present state of affairs in the Memel Territory is due solely to the passive attitude of the Signatory Powers which encouraged the Lithuanian Government, after the Hague judgement of August 11, 1932,⁴ to carry out ruthlessly their de-Germanizing measures in violation of the Statute. The Powers signatory to the Statute,⁵ as guarantors of the Memel Territory, are called upon to protect it and are in duty bound to uphold its autonomy. An appeal to the League of Nations Council by Germany in accordance with Article 1 of the Memel Convention⁵ does not come into question. Independently of this, Germany is entitled on general political grounds to intervene with the Signatory Powers in order to draw the attention of these Governments to the dangers to German-Lithuanian relations inherent in Lithuania's Memel policy.

Special infringements of the Statute: Interference with the prerogative of the courts of justice, interference in the autonomy of the schools, abolition of the freedom of the press and of public meetings, refusal of residence permits, and of permits to work, and finally the illegal closure of the Landtag and forcible dismissal of the President on invalid pretexts. The alleged activities hostile to the State on the part of the National Socialists in the Memel Territory, put forward to justify Schreiber's dismissal, have not been proved in any way. It is hoped that the Signatory Powers will not accept, without investigation, the biased statements of the Lithuanian Government. It must be insisted that the reasons for Schreiber's dismissal be investigated, that the Landtag be convened at the proper time, that no member be prevented from attending the session and that the Directorate resign immediately on a vote of no-confidence and be not, contrary to the Statute, charged with the conduct of affairs, and, finally, that in the interim no measures be taken against autonomy, as is at present widely being done by the Lithuanian Directorate.

³ Handwritten marginal note: "On July 10 the Foreign Minister handed 1 copy of the Memorandum to each of the 4 Ambassadors of the Signatory Powers, and gave the appropriate explanations. To be filed. K[otze], July 13."

⁴ See the Permanent Court of International Justice: *Judgements*, Series A/B, Fascicule No. 49, pp. 295-338; a summary of the ruling is given in *Survey of International Affairs* 1932 (London, 1933), p. 408.

⁵ See Editors' Note, p. 137.

No. 68

8921/E624233

The Ambassador in Great Britain to the Foreign Ministry

Telegram

No. 201 of July 6

LONDON, July 6, 1934—7:30 p.m.

Received July 6—9:45 p.m.

IV Rd. 3220.

With reference to my telegram No. 200¹ of July 5 and to your telegram No. 205.²

I have today discussed the Memel question with Sir John Simon, in the same manner as I did yesterday with Sargent, and have pointed out emphatically to him, too, the seriousness of the situation.

The Secretary of State explained that he had not yet had time to study our Note and was not therefore yet in a position to make a full statement. He read out to me, however, a short preliminary legal opinion by Sir William Malkin,³ which stated that there were no objections to Simon informing the German Ambassador now that the British Government held the view that an investigation of the reasons put forward by Lithuania for dismissing the Directorate was called for. The Secretary of State, obviously basing himself on Malkin's opinion, mentioned that he really had no right to give me information about Britain's views, as, according to the prescribed procedure, this should be given to the League of Nations Council. He added, however, that he saw no reason why he should not inform me unofficially. I then made the statements contained in your telegram No. 205, to which Simon made no objection. As regards further action he thought that the British Government would probably communicate first with the other Signatory Powers. But he could see that according to what might result from a closer investigation Britain would have to undertake the unpleasant task of seeing that justice was done.

But he reserved adopting a definite attitude until he had studied our Note.

I shall continue to press the matter at a lower level as well.

HOESCH

¹ Not printed (8921/E624231); in this telegram Hoesch reported that he had handed the prescribed Note (see document No. 67, footnote 2) to O. G. Sargent, an Assistant Under-Secretary of State in the Foreign Office.

² Not printed (8921/E624227-28); in this telegram of July 5 Meyer stated the German Government's view as to the admissibility of their *démarche* (see footnote 1 above).

³ Legal Adviser to the Foreign Office.

No. 69

5888/E431595-600

The Military Attaché in Czechoslovakia to the Reichswehr Ministry

PRAGUE, July 6, 1934.

Received July 13.

II M 1021.

Subject: Quarterly Report.

No special events have occurred during the period under review from April to June. Visits to the Č.S.R. by serving members of the German forces on leave, have, as far as I know, passed off without incident.

During the period under review I have addressed no enquiries or requests to the M.N.O.¹ May I be informed as to whether the Czechoslovak Military Attaché in Berlin has asked for any information and, if so, of what nature?

I have observed this restraint primarily because I did not wish to give the M.N.O., which on each and every occasion observes the principle of reciprocity with an almost ridiculous scrupulousness, any grounds whatever for obtaining information from the Reichswehr Ministry through their Military Attaché in Berlin.

Moreover, very little is ever learned here from official enquiries at the M.N.O. Nearly all the Military Attachés complain about this, including Colonel Josimović,² who has just returned to Yugoslavia, although he belonged to a friendly army. I hardly think that the reason for it is to be found in any fear that the secrecy of important military matters might be impaired, but rather in the present desire not to permit foreign Military Attachés any more profound insight even into harmless questions concerning the peace-time organization of the armed forces, so as not to disclose their real position.

At any rate, the views which at times leak out from officers' circles differ from the high-sounding phrases in the speeches made on the occasion of military parades.

Nevertheless this should not lead us to underrate the new Czechoslovak armed forces in any way. Everywhere people are working industriously and there is the determination to make the present army an increasingly serviceable instrument with time.

At present there is plenty of time for this, since the officer corps above all, has not achieved its full efficiency during the past fifteen years, and there are still a good many people, particularly in the higher ranks of the army, who may well once upon a time have been very useful

¹ Ministerstvo Národní Obrany, the Czechoslovak Ministry of National Defence.

² Yugoslav Military Attaché in Prague.

and efficient Legionaries³ but who themselves still require a very sound training.

Consequently, these armed forces which, after all, only acquired a very limited amount of experience in the 1914-18 war, must not be overrated either. They are not nearly as good as the Czechs would like to lead other countries to believe and strenuous efforts are being made to feign a strength which actually exists only to a very limited extent.

This view is not affected even by the military parades which have latterly been staged with great pomp everywhere, and with big headlines in the press saying that even those sections of the people who are of German stock have now gladly declared their allegiance to the Czechoslovak State and their willingness to fight for its preservation.

Honest Czechs themselves admit that they behaved in just the same way under the Dual Monarchy and then deserted during the war.

Undoubtedly the strength of the Czechoslovak armed forces is very closely bound up with the nationalities problem and no one is in a position today to say with any certainty how a possible mobilization in this country would turn out.

In any case, not much enthusiasm for this army or this State can be gathered from what Czechoslovak soldiers of German stock say from time to time. They grumble a good deal about bad treatment, poor food, monotonous duties and the unsatisfactory conditions in their units. The same applies to the Slovaks, who often are not regarded as equals in the unit, and are the first to be called on to do so-called "fatigue" duties.

But the most discontented of all are the young German and Slovak officers who, even with good service and recognized proficiency, are denied promotion to the higher ranks.

In general it is rare for anything to be heard of these matters in public, and it is therefore all the more remarkable that someone like Senator Hilgenreiner,⁴ during an argument with the Social Democrats in the Senate, should have raised all these matters and reproached the Government authorities with the prevailing discontent.

With such conditions prevailing in the armed forces, the many antagonisms amongst the population, and the tension on all frontiers (except with Rumania), it is understandable that the Chief of the General

³ The reference is to the Czech Legionaries who came into being during the First World War as a result of wholesale desertions from the army of the Dual Monarchy. They fought in France, Italy and on a big scale in Russia where, in 1917, they were organized by Masaryk and formed the beginning of the independent Czech army. The Legionary tradition became an important element in the national consciousness of the newly-formed State of Czechoslovakia and was in later years frequently made the subject of criticism and complaint by members of the German minority.

⁴ Dr. Carl Hilgenreiner, Czechoslovak Senator; Professor of Moral Theology and Canon Law at the German University in Prague.

Staff, General Krejčí, occasionally lets fall remarks about "serious worries".

As noteworthy with regard to the international situation was the interest shown by the local press in the negotiations over the recognition of Soviet Russia by the Little Entente.⁵ With great delight and obvious relief *Lidové Noviny*, which is closely connected with Foreign Minister Beneš, gave expression to the fact "that thereby the impediments between Rumania and Russia, which had always had to be reckoned with, had now at last been removed".

It would probably not be wrong to assume that behind these words lie the differing views about Rumania's security in relation to Russia which emerged at the Bucharest Conference of the General Staffs,⁶ nor is there much doubt that the Czechoslovak General Staff, on the pretext of the threat of Hungarian revisionism, will once again do their best to persuade the Rumanian General Staff to shift their main military concentration to the Hungarian frontier.

Whether Bucharest will comply, remains to be seen. In my opinion the Russians are very well known there and thoroughly distrusted, despite all treaties and agreements. On the other hand, it is also known that the situation in Transylvania gives no particular cause for anxiety since the population is quite content under Rumanian rule and has no great longing for the Hungarians. Only recently 3,000 delegates from all the German settlement areas took part in a large anti-revisionist demonstration in Braşov and swore allegiance to the King of Rumania.

However, things are otherwise in Slovakia and Ruthenia, since the population there is not very satisfied with Czech rule and would not be averse to a return to Hungary.

It is therefore understandable that Prague should be anxious about Slovakia and, in view of the tension between Poland and Hungary, leave no stone unturned in order to be able to hold this corridor in case of emergency.

Not without reason did Foreign Minister Beneš, on his visits to the "Czechoslovak corridor", repeatedly remind the people that theirs was the historic mission of holding this strip of land, which forms the connecting link in the Little Entente, against all aggressors, and defending it to their last drop of blood.

⁵ On June 9, 1934; see Royal Institute of International Affairs: *Documents on International Affairs 1934* (London, 1935), pp. 402-404.

⁶ In despatch 1387- I F 2 of Apr. 17, 1934 (9608/E678182-84), Schulenburg reported from Bucharest that according to information reaching the Legation, it had been decided at the recent Conference of the Chiefs of Staffs of the Little Entente that, in view of (i) the improvement in Rumanian-Soviet relations and (ii) the guarantees contained in the Balkan Pact, a reduction would be warranted in the contingents previously to be provided against Russia by Rumania, and against Bulgaria by Yugoslavia, and that they could be employed if need arose against Hungary and her possible allies in Central Europe (Italy). No report on the differences referred to in the document here printed has been found in the Foreign Ministry archives.

Even the possibility of a threat, which is mainly derived from Hungarian revisionist claims, causes marked nervousness and unrest everywhere (see the report from the German Consulate at Kosiče of June 16).⁷

Therefore, on the basis of all I have learned during the period under review, I feel able to say that at present military attention here is primarily directed to the Polish and Hungarian frontier territories, and that there is concern about Slovakia rather than about the Province of Bohemia.

On occasional trips by car into the Friedland-Reichenberg and Eger areas I have nowhere seen any signs of military measures directed against the Reich.

It is evident, however, that the armed forces of the Č.S.R. are rearming in order, in the words of Bradáč, the Minister of Defence, "to be prepared for all eventualities". The approval of a ten-year extension of the armaments appropriations,⁸ the projected extension of military service to two years, the markedly powerful military propaganda, the increased activity in armaments factories—even on the Hus holiday, which used to be one of the main days of the Workers' Olympics, work went on without a break in some of the smaller local ordnance factories—all these are signs of an intention to fill the present gaps in armaments.

At present nothing is definitely known about changes in the organization of the armed forces.

Military circles here show marked reserve about the most recent events in Germany. They may well have been differently informed and have, in consequence, suffered a severe disappointment. At any rate, very characteristic of the attitude here is that about the middle of June the Head of the Department for Foreign Armies in the M.N.O. asked my Hungarian colleague what he thought of the situation in Germany and added it was surely impossible that the present régime could last much longer.

In conversations with my Polish and Hungarian colleagues I have met with unreserved approval and understanding views. The interest of the Austrian Military Attaché⁹ centred primarily on the question of whether it might be expected that the activities of the terrorists would now be stopped.

I have already submitted a separate report on my official visit to Bucharest.¹⁰

V. FALKENHORST¹¹

⁷ Not printed (9144/E643157-61).

⁸ In a law dated Dec. 17, 1926, provision was made for expenditure on purchase account and buildings for the Czech army for the next 11 years (see *The Times* of March 15, 1926). On June 19, 1934 this was prolonged for a further 10 years (see *Prager Presse* of June 20, 1934).

⁹ Col. K. Peyerl.

¹⁰ Not printed (5888/E431581-88); this report is dated May 28, 1934.

¹¹ Col. Nikolaus von Falkenhorst was also Military Attaché in Rumania and Yugoslavia.

No. 70

8539/E597731

The Swiss Minister in Germany to the Head of the Press Department

SWISS LEGATION,
BERLIN, July 6, 1934.
P 6527.

DEAR GEHEIMRAT: I have to inform you that, to their regret, the Swiss Federal Council find themselves compelled, as a counter measure to the discrimination against Swiss newspapers in Germany,¹ to forbid the import and distribution of the following German newspapers in Switzerland, the *Angriff*, the *Berliner Börsen-Zeitung* and the *Völkischer Beobachter*, in the first instance for fourteen days.²

With the expression of my highest consideration,

Yours etc.,

PAUL DINICHERT

¹ See also vol. II of this Series, report A 836 of June 6 from Berne.

² On July 8, DNB announced that the German Government had banned the Swiss newspapers, the *Neue Zürcher Zeitung*, the *Basler National-Zeitung*, and *Der Bund*. In a memorandum, dated July 9 (3015/592761-66), on a conversation with the Swiss Minister on this subject, Köpke recorded that he had informed the Minister, on instructions, that the ban was a reply to Swiss action. On July 17 the Legation in Berne reported in telegram No. 63 (8542/E597980) that the Swiss ban had been extended "until further notice".

No. 71

7475/H186638-41

The Ambassador in Great Britain to the Foreign Ministry

Telegram

No. 202 of July 6

LONDON, July 7, 1934—1:29 a.m.

Received July 7—5:00 a.m.

II Abr. 1879.

With reference to your despatch II F Abr. 1821 of July 3¹ and telegram No. 206.²

I have just had a long and perfectly frank conversation with Simon on the whole problem of European security.

In accordance with the above-mentioned despatch I first explained how the various recent British-French military contacts in conjunction with the impending visit of Barthou, the comments in the British press, and the poison gas disclosures of Wickham Steed³ had everywhere

¹ Document No. 52.

² Document No. 63.

³ See document No. 52, footnote 3.

created the impression that this was leading up to Anglo-French cooperation.

The Foreign Secretary interrupted me, after he had dismissed W. Steed's disclosures with a wave of the hand, and again stated that there were no military ties between Britain and France. He had informed Lord Hailsham after the latter's return from France about my representations and had asked him again for information about the facts of the matter. Lord Hailsham had definitely stated that the purpose of the military visit to France under his leadership was merely to visit the battlefields in the same way as had often been done before. The Foreign Secretary referred in this connexion to the statement made by Baldwin today in the House of Commons,⁴ which he had written himself.

I then made the statements, as instructed, on the Belgian security question and summarized our point of view by saying that Germany is prepared now as before to conclude a non-aggression pact with Belgium and would welcome helpful mediation by Britain, but that we should have to raise objections to any British statement likely to give even the appearance of the balance of the Locarno Treaty being shifted by the British to our disadvantage.

Simon first of all emphasized again that, as I have already reported in telegram No. 185,⁵ his recent remarks regarding a possible British declaration in favour of Belgium were only his personal reflections which had not yet been approved by the Cabinet and which had merely been discussed informally with me in friendly conversation. These reflections, he continued, had not been pursued in the meantime and, even now, had not taken definite shape. They had occurred to him through the circumstance that Belgium appeared to be reluctant, at present, to enter into a bilateral commitment with Germany, which led him to wonder whether the British Government could not do something to help to make such a commitment more palatable to Belgium. He understood, however, the misgivings which I had voiced, and he gave me a definite promise that the British Government would in no case issue any declaration without once more communicating with us in good time beforehand.

At this, I stressed that a fresh affirmation of faith in Locarno by Britain would be welcome to us, provided it maintained the complete balance of Locarno, and I must believe that such an affirmation would also satisfy Belgium, particularly if it were accompanied by the conclusion of a German-Belgian non-aggression pact.

Simon then turned to the impending visit of Barthou and our conversation developed into a sort of general stocktaking for this visit.

⁴ Statement of July 6, to the effect that the recent visits of M. Barthou to Britain and Lord Hailsham to France had no political significance. See *Parl. Deb., H. of C.*, vol. 291, col. 2206.

⁵ Document No. 47.

The Foreign Secretary stated that the visit was, in a way, the result of friction which had arisen between Barthou and himself in Geneva, and was intended to make contact for the purpose of removing the differences which had arisen. Barthou would probably place the security question in the foreground and request Britain's support in carrying out the idea of regional pacts. In doing this he would not make the hopeless attempt to persuade Britain to join in any kind of combination but, relying on the fact that Britain had approved of the idea of regional pacts in principle, would try to induce the British Government to influence other countries, and that meant particularly Germany, with a view to their entering into the regional pact system. To this he would reply that British persuasion would probably have little effect and that it seemed to him that the main thing was to get the author of the pact idea himself to make accession to it palatable to the States chosen as partners. In addition to this, the Foreign Secretary repeated the statement which, as instructed, I made to him at the time regarding our attitude to the so-called Eastern Locarno plan and which he well remembered.⁶ I summarized the position again, saying that we had, indeed, received the well-known announcement through Poncet, but afterwards had received no clearly worked-out Russian proposal, that on our side there had been no rejection, that the basic practical ideas, such as the consultation and non-aggression obligations, were in accordance with German policy, but that the projected form for their realization, limited to states in Eastern Europe, did not suit us. Simon added that the British Government for their part had now also received information that the curious idea of bringing Russia into Locarno would in fact be considered. He asked me whether the possible Russian guarantee was also regarded, if the occasion arose, as being applicable to Germany, which I denied, saying that, according to my knowledge, it was only a matter of the concept of mutual assistance between France and Russia in the case of the obligation to assist becoming operative for one of the two States. Simon did not seem very pleased about this; the inclusion of Russia in the European security combination is on the whole obviously not very congenial to him. In any case he remarked, with a reference to his various statements in the House of Commons on the question of Russia's entry into the League of Nations, that Britain had, naturally, no possibility of opposing Russia's entry, if it were introduced in due and proper form. I also took the opportunity of hinting that behind the Eastern Pact idea the alternative idea of a Franco-Russian alliance appeared to be taking shape, which also seemed to arouse his misgivings. He also asked me about Poland's attitude to the Eastern Pact, which I described as reserved, which obviously agreed with Simon's information.

⁶ See vol. II of this Series, telegram No. 155 from London, sent June 13, 1934

I had the impression that Simon is looking forward with cool deliberation to Barthou's visit and has no intention of allowing himself to be rushed into any kind of extravagant project which might include fresh commitments for Britain. It may of course be that the Southern French hothead will bring a somewhat stormier atmosphere into the coolness here.

HOESCH

No. 72

9103/E640399-400

The Ambassador in Great Britain to the Foreign Ministry

Telegram

No. 204 of July 7

LONDON, July 7, 1934—5:40 p.m.

Received July 7—7:35 p.m.

P 6533.

The mood here with regard to Germany and the attitude of the English press to events inside Germany has worsened this week. This is mainly due to the fact that every day fresh reports arrive from Germany about allegedly countless further victims, which are used in the press to show that the Reich Government's action against conspirators has cost the lives of hundreds of people who had nothing to do with the conspiracy. It is asserted that the alleged victims, who came from widely varying classes and professions, cannot be linked up with one another, and this is causing malicious and spiteful conclusions to be drawn about the German domestic situation.

Amongst the persons said to have been killed there are names well-known in England, such as, for example, today, that of Herr Morsbach, employed in the German Academic Exchange Service. A number of these death reports are later contradicted, so that there must be complete confusion in the minds of newspaper readers, and in any case there remains the feeling of very great uncertainty about the German domestic situation. It is self-evident that, from sensationalism or because of anti-German feeling, the press is exploiting all this in the worst possible manner, so that Germany's reputation here is sustaining more and more damage.

In these circumstances I would suggest that it be considered whether, with a view to guiding foreign opinion, a list of the persons punished could not be published soon, perhaps together with a fresh statement on the facts of the case, in order in this way to stop foreign countries being flooded with tendentious and malicious rumours.¹

HOESCH

¹ In telegram No. 213 of July 9 (9103/E640401), Aschmann informed Hoesch that it was intended to make a statement on the facts of the case and to publish a list but that the date for this had not yet been fixed.

No. 73

4620/E200481-84

State Secretary Bülow to Ambassador Hoesch

PERSONAL AND CONFIDENTIAL

BERLIN, July 9, 1934.

DEAR HOESCH: Enlarging upon our telephone conversations,¹ I would like to revert to the question of a German-Belgian non-aggression pact.²

The idea has two starting points: First, the Reich Chancellor has stated on a number of occasions that we are prepared to conclude non-aggression pacts with all our neighbours. Secondly, the Reichswehr attaches quite exceptional importance, if it should come to a conflict between us and France, to Belgium's not, or not at once, taking part in it. France is concerned less with the Belgian army than with the Belgian glacis. In the event of war the French wish to thrust towards the Ruhr through Belgium. We know that the Alsace front is defensively organized, while motorized troops are concentrated on the French-Belgian frontier. The Reichswehr, however, attaches importance to compelling the French, in the event of war, to confine themselves to the relatively narrow invasion gateway between Luxembourg and, let us say, Mainz. It makes a great difference to them whether the French can advance on a broad front towards Northern Germany or be limited to the sector south of Luxembourg.

In addition to these German points of view and starting points, there are now the events which have taken place in London. Hymans appeared there and asked about a supplementary British guarantee. Simon simply passed this, for him unpleasant, question to Ribbentrop who called on him shortly afterwards, in order to push the Belgian request on to us.³ I will not say that Ribbentrop fell for this, but he certainly did not recognize clearly enough that the British would gladly get rid of the awkward Belgian request at our expense.

On the technical side, there is also this to be said, namely that a non-aggression pact could not exist at all alongside Locarno, because the Rhine Pact of Locarno already includes all the elements of a non-aggression pact. If, despite this, we concluded a non-aggression pact with Belgium, Locarno would thereby lose its value, and France would, in consequence of the devaluation of Locarno, obtain greater freedom of action for the sector of the front not [thus] covered. We should ourselves, therefore, be contributing to the reduction of the

¹ See document No. 60. No record of any other telephone conversation at this period has been found.

² See document No. 47 and footnote 7 thereto, and documents Nos. 52, 63 and 71.

³ See vol. II of this Series, memorandum by Ribbentrop of May 10, 1934.

treaty protection of our western frontier. Apart from this, we should not in this way be helping Belgium into a special position, as sooner or later we should have to tell the French something similar to, or else the same as, what we had told the Belgians.

Even if we cannot state that we do not wish to conclude a non-aggression pact with Belgium, but on the contrary have to maintain our offer to conclude such pacts multilaterally—we must not delude ourselves that the non-aggression pact can ever achieve the aim which we and the Reichswehr have in mind. It would be a solution by unsuitable methods, all the more so as a non-aggression pact would perhaps push up Belgian stocks by a few points, because a greater feeling of security would have been created in Brussels, but we should derive no benefit from this, because no non-aggression pact would prevent Belgium from allowing France to march through [her territory]. A member of the Reichswehr Ministry has characterized the situation with regard to the Belgian fortifications by saying that they are like a glove, the finger tips of which are directed towards Germany and into which the French hand could be thrust at any moment.

What we need is a special status for Belgium in relation to France and in relation to Germany, something like that brought about by the neutralization of 1839.⁴ We shall never be able to return to the neutralization of the pre-war period, but perhaps a form may be found which produces practically the same result. Three States have an interest in this: Belgium would like to be secure from the entanglements of war, and particularly from a German attack. We would like to see the Belgian south-western frontier protected so that Belgium does not become a transit and deployment area against Germany. The British too have a geographical and political interest in Belgium and her neutrality. Perhaps a form may be found to unite these interests in a manner useful to us. I am writing to you today mainly to ask you to consider these possibilities. No solution has as yet occurred to me. But it seems to me certain that a solution will only be possible if neither we nor the Belgians let the British escape, and if we avoid a direct German-Belgian understanding in order to conclude only a tripartite agreement or at least agreements amongst the three States. This is another way of saying that a German-Belgian non-aggression pact is useless for these aims and purposes, on the contrary it leads away from the goal. The Reichswehr is beginning to see this, after having for some time thought that the desired effect could be obtained by a simple non-aggression pact. Herr von Ribbentrop, to whom this line of reasoning is still new and who only with difficulty understands the

⁴ By Article 7 of the treaty signed in London on Apr. 19, 1839, Belgium was recognized as an "independent and perpetually neutral State" under the guarantee of Great Britain, Austria, France, Prussia and Russia. For the text of this treaty see *B.F.S.P.*, vol. 27, pp. 990-999.

meaning and scope of Locarno, has perhaps not yet quite grasped the matter. This accounts for a certain contradiction between telegram No. 206⁵ and the despatch of the 3rd instant, II F Abr. 1821.⁶ The telegram originally had a different text and was not consistent with the above-mentioned despatch. Herr von Neurath cut down the telegram rather hurriedly on his way between the Ministry and his villa. In his haste, however, he did not quite succeed in making the text conform to the above line of reasoning.

This is for your personal and confidential information. I should be grateful if you, as you know British, French and also Belgian policy [*Politik*] so well, would give some thought to possibilities of a solution.

With greetings and best wishes,

Yours ever,

BÜLOW

N.B. I forgot to say that the Belgians also show no great enthusiasm for a non-aggression pact. They appear to judge Locarno, in this connexion, in the same way as we do.⁷

⁵ Document No. 63.

⁶ Document No. 52.

⁷ In a memorandum of June 16, II Belg. 605 (8468/E595956-57), Renthe-Fink recorded that the Belgian Minister had stated that Belgium would be interested in a non-aggression pact if the Treaty of Locarno were thereby reaffirmed. No other remarks by the Belgian Minister on this topic have been traced.

No. 74

6695/H100217-18

The Chargé d'Affaires in the Soviet Union to the Foreign Ministry

SECRET

A 1791

Moscow, July 9, 1934.

Received July 11.

IV Ru. 3240.

POLITICAL REPORT

Subject: Eastern Pact.

With reference to your telegram No. 131.¹

I had the opportunity yesterday of speaking unobtrusively to the Italian Ambassador about the Eastern Pact.

The Italian Ambassador emphasized anew that there was no longer any pro-German tendency in leading Soviet circles. He had recently had the opportunity of conversing fully with Krestinsky,² Stomonjakov,³ a number of higher military officers, and also with Party

¹ This telegram transmitted to Moscow the text of document No. 61; see footnote 22 thereto.

² N. N. Krestinsky, Vice Commissar for Foreign Affairs, a former Soviet Ambassador in Berlin.

³ B. S. Stomonjakov, Member of the Collegium of the Commissariat for Foreign Affairs.

members. From these conversations it was clear that, *rebus sic stantibus*, the Rapallo policy had been completely written off by the Russians. Litvinov was at the height of his influence. This did not mean, of course, that the Soviet Union would gladly follow a policy which must lead to entry into the League of Nations and to closer ties with France. There is certainly no one here who feels very happy at the thought of the Soviet Union in this way being compulsorily drawn into European affairs; what is desired in Russian foreign policy is still, as it was before, "the policy of the free hand". But, as they firmly believed here in the evil intentions of Germany, they wanted real security on their own western frontier in view of the situation in the Far East. If there were no other way out, they would swallow the bitter pill, join the League of Nations and make an alliance with France. He had not been able to discover in leading Soviet circles an effective opposition which could prevent such a policy. Abroad, it was true, there was talk of Litvinov's position being undermined and of growing opposition to an alliance with France. He regarded this, however, as a lack of appreciation of the actual state of affairs, and he could only repeat that it was his strong conviction that the entry of the U.S.S.R. into the League of Nations and an alliance with France were threatened, unless German policy succeeded in meeting the Russian "pact mania" in a form acceptable to them.

With regard to the actual state of the negotiations on the Eastern Pact, the impression generally prevailing here is that after the great activity by the Commissariat for Foreign Affairs in the past few weeks, reserve is being shown at present on the Russian side, and it is presumed that the initiative now lies with the French Government.

TWARDOWSKI

No. 75

8921/E624266-67

The Ambassador in France to the Foreign Ministry

Telegram

No. 940 of July 10

PARIS, July 10, 1934.

Received July 10—4:10 p.m.

IV Rd. 3288.

As despatch IV Rd. 3099 of July 3¹ was only received here on the evening of July 4, and as the prescribed Note had first to be translated in order to ensure prompt action by the Foreign Ministry, I should only have been able to have a conversation with the Foreign Minister or the Secretary General on Friday the 6th. I did not therefore ask

¹ See document No. 67, with footnote 2 thereto.

for an interview at the Foreign Ministry or with the Secretary General, as I knew that both were fully occupied with preparations for the London conversations and for their departure for London.² I therefore considered the best tactics to be first to send Forster to *Directeur Bargeton*³ in order at least to have the attention of the Foreign Ministry drawn officially to the matter. Immediately after the return of the two gentlemen from London, I shall personally call on them.

In accordance with instructions, Forster handed over the prescribed Note, which was dated July 6, and, making use of all the material which we have here as well as the judgement of the Hague Court of Justice,⁴ and especially the complaint to the Signatory Powers of April 30, 1932,⁵ gave a detailed description of conditions in the Memel territory and of the attitude of the Lithuanian Government. In so doing he stressed the gravity of the situation and the necessity for immediate action. Bargeton occasionally asked questions, but refrained from adopting a definite attitude, nor did he comment on the Lithuanian complaints against Schreiber and other Memel Territory politicians or parties. In consequence, the conversation consisted exclusively of a detailed exposition of Lithuanian infringements, whilst, for example the . . . (group mutilated)⁶ complaints against Memel citizens mentioned in the enclosure to despatch IV Rd. 3113 of July 3⁷ were not discussed.

When Bargeton enquired whether the German Government's *démarche* was made in their capacity of member of the League of Nations, Forster replied that Germany's attitude to the League of Nations was outside the discussion. As the form of the Note showed, the German Government directed the attention of the Signatory Powers to the events because they, as signatories of the Memel Convention,⁸ had the right and the duty to see that the Convention was kept. Similarly the German Government had already previously dealt with the Signatory Powers on Memel questions, e.g., over the case

² See documents Nos. 84 and 85.

³ Paul Bargeton, Director of the Political and Commercial Department of the French Foreign Ministry.

⁴ See document No. 67, footnote 4.

⁵ In connexion with the elections to be held on May 4, 1932, the Signatory Powers informed the Lithuanian Foreign Minister on Apr. 28, 1932, of the points which they considered should receive particular attention in order to ensure a fair poll. In a despatch of Apr. 29, 1932, zu IV Rd. 2466 II (M104/M003658-60), addressed to the Embassies in London, Rome and Paris, Meyer stated that he had just informed the representatives of the Signatory Powers that the Lithuanian Government appeared to have made no response to their *démarche* and to have taken no measures to prevent acts of terrorism. The recipients were instructed to inform the Governments to which they were accredited of Germany's apprehensions.

⁶ Typewritten marginal note: "Could read 'individual' or 'malicious'".

⁷ Not printed (9765/E686144); this repeated Memel telegram No. 102 of July 1 (8921/624210-13) to London, Rome and Paris.

⁸ See Editors' Note, p. 137.

of Böttcher,⁹ but the present situation was very much more serious. Moreover, it was not Germany's fault that the Memel Statute and Convention were concluded without German participation. Bargeton did not take up this point, but remarked that the French Government for their part had no interest in strengthening Germany's negative attitude to the League of Nations.

Bargeton promised to examine our Note and report by telephone to the Foreign Minister in London.² He reserved his attitude. A further report follows.¹⁰

KÖSTER

⁹ Dr. Böttcher, a former President of the Directorate, who had been dismissed by the Governor in February 1932; see vol. I of this Series, document No. 45, and footnote 1 thereto.

¹⁰ See document No. 142, footnote 4.

No. 76

3242/715880-81

Memorandum by the State Secretary

BERLIN, July 10, 1934.

The American Ambassador called on me today in order once more¹ to discuss the transfer situation thoroughly before calling on the British Ambassador here, on instructions from his Government, for a conversation on this problem. The Ambassador and I, in turn, went over the different points. He was correctly informed on the broad outlines but did not go into any details. His Government's idea seemed to be to consider with the British Government and other creditor countries, whether and how a joint agreement on the German transfer question might be reached so that no one was either favoured or discriminated against. The American Ambassador explained that the creditors in America, who were worried about their transfers, were already becoming a nuisance to the American Government. As far as the situation in Britain was concerned, he wished particularly to hear from me whether I considered the London Agreement² as being feasible and whether I thought that the British might be reckoning with the possibility, despite the agreement, that we would one day suspend the transfer payments owing to lack of foreign exchange and, if so, that they would be prepared to accept this situation, as they could then tell their public that they had made every effort possible in the circumstances. In reply I merely commented on the shortsightedness and obduracy of the British during the negotiations.

BÜLOW

¹ See document No. 14. Neurath also recorded in a memorandum of July 6 (3087/621845-46) that Dodd had that day discussed the transfer question with him. See also *Foreign Relations of the United States, 1934*, vol. II, pp. 377-378.

² See document No. 58, footnote 4.

No. 77

7840/E569205-07

The Minister in Poland to the Foreign Ministry

A 140

WARSAW, July 10, 1934.

Received July 11.

II Fr. 2461.

POLITICAL REPORT

Subject: The visit of General Debeney¹ to Warsaw; his efforts to win Poland for the Eastern Pact.

In view of the policy of encirclement which France is directing against Germany, it is becoming increasingly difficult for Polish foreign policy, which on the one hand wishes to maintain its alliance with France and on the other to create good neighbourly relations with Germany and Soviet Russia, to preserve its freedom of action, and not to be taken in tow again by France. French pressure on Poland to win her over to their plans for an Eastern Pact is visibly increasing. In particular it appears that General Debeney, on the occasion of his Warsaw visit, had an important task to perform in this connexion.¹

It had already been agreed by Pilsudski and Barthou in Warsaw² that there should be discussions on adapting the Franco-Polish Military Convention³ to the present political situation. The slackening of tension which has taken place between Poland and Soviet Russia has made a new distribution of force appear necessary in case of war. It was also in keeping with the recognition of Poland as a Great Power that there should be a rearrangement of the supreme command, which under the previous Treaty lay solely in French hands. Nothing authentic has yet been learned concerning the details of the negotiations which General Debeney has been conducting on this question. It is said that France has given up all claim to a unified supreme command. On the other hand, it appears that agreement has not yet been reached on the other questions. Indeed a draft already prepared by the French is said to have been rejected by Marshal Pilsudski, who interrupted his holiday to come to Warsaw for two days for the discussions

¹ General Debeney, a former Chief of the French General Staff, had arrived on a visit to Warsaw on June 24.

² Barthou had paid an official visit to Warsaw Apr. 22-24, 1934, on which Moltke reported in telegram No. 39 of Apr. 25 (7467/H180853).

³ A secret Franco-Polish military convention had been signed on Feb. 21, 1921, to complete the political agreement signed on Feb. 19; for a summary of the terms and subsequent adjustments see Général Gamelin: *Servir* (Paris, 1946), vol. II, pp. 466-467; see also *Polskie Siły Zbrojne w Drugiej Wojnie Światowej* (*Polish Armed Forces in the Second World War*) published by the General Sikorski Historical Institute in London, 1951, vol. I, Pt. 1, pp. 87-88.

with Debeney. It is said that these military discussions will be continued by General Sosnkowski⁴ in Paris, but not before the autumn.⁵

The discussions on the renewal of the military alliance were, however, obviously not the main object of Debeney's mission. It appears far more likely that his main duty was to gain Poland's interest for the French Eastern [Pact] plans, and it is even said that he applied pressure in this direction by making use of certain questions concerned with the Polish-French military alliance. Assertions that Marshal Pilsudski, in accordance with the attitude he had previously adopted with M. Barthou, again pointed out that the position of the Soviet Union both in home and foreign affairs was obscure and warned against any closer ties with Soviet Russia, sound quite credible. The Marshal is said also to have endeavoured to prove that the Franco-Polish alliance, which was something natural and permanent, could fully satisfy the French need for security against Germany. The Marshal also appears to have been prepared to make far-reaching concessions over modifying this alliance in order to induce France to drop her Russian plans.

This attitude also corresponds to Poland's previous attitude over the proposals. A few days ago Count Szembek too told me that the Polish views remained unchanged.⁶ I have heard from a reliable source that the Polish Government have in the meantime formulated a reply to France⁷ which admittedly does not amount to a blunt refusal but, at the same time, does not express agreement.⁸

MOLTKE

⁴ General of Division Kazimierz Sosnkowski, Army Inspector since 1927 and a former War Minister.

⁵ In a report on Poland's military position dated Dec. 17, 1934 (5891/E432119-28), the German Military Attaché in Warsaw, Gen. Schindler, drew attention to the fact that the resumption of negotiations with France through General Sosnkowski, planned for September, had not in fact taken place.

⁶ No other record of this conversation has been found.

⁷ In telegram No. 59 of July 13 (6695/H100307), Moltke reported that Beck had told him that the Polish Government had already clearly stated to France and now to Great Britain as well that the new pact must on no account jeopardize advantages gained by the bilateral pacts between Poland and her neighbours, especially Germany.

⁸ This document is marked: "The Chancellor is informed. L[ammers], July 17."

No. 78

9616/E678736-37

The President of the Reichsbank to the Reich Chancellor

BERLIN, July 10, 1934.

Rk. 6152.

DEAR REICH CHANCELLOR: I consider it my duty to report to you that, as a German, I had a most embarrassing time at yesterday's meeting of the Bank for International Settlements at Basle. *Not one single member* of the international delegations in Basle had expected or

could understand the complete capitulation of the Foreign Ministry at the German-British transfer negotiations, although, apart from the President,¹ who is an American, Britain, France, Italy, Belgium, Holland and Switzerland are represented on the Board of Directors. The President, who had hitherto supported the Reichsbank in all its efforts for a reduction in the interest rate and a moratorium, was, as it were, taken aback and naturally felt himself discredited.

As far as I can judge from the impressions I have gained at Basle, the views of the others are:

(1) Germany's assurances are worthless. Germany is lying. For weeks and months all the Reich Departments have been saying that as they had no foreign exchange Germany could not pay, and at the last moment they said they could pay after all.

(2) Germany need only be handled firmly and then anything can be got out of her. Leniency and understanding are out of place. Germany only responds to pressure. In this respect there has been no change from the old ways.

(3) There is no consistent policy in Germany, for what one department says today another contradicts tomorrow.

Please forgive my frankness, Herr Reich Chancellor. As regards the matter itself and its economic consequences, I hope soon to have the opportunity of reporting to you.²

With great respect,

DR. HJALMAR SCHACHT

¹ Leon Fraser, President of the Bank for International Settlements.

² Schacht informed the Reich Chancellery in another letter of July 10, Rk. 6153 (9616/E678738), that the Governor of the Federal Reserve Bank of New York, Harrison, would shortly be in Berlin and wished to discuss, unofficially, current debt and transfer problems. A minute by Lammers of July 11 (9616/E678739-40) stated that the Chancellor was informed, and that the subjects of the two letters would be discussed by Hitler and Schacht, when Neurath would be present, on July 17. The copy of the document here printed forwarded by Lammers to Neurath on July 11 (3242/715882-84) contains heavy exclamation marks in Neurath's green crayon against the phrase "complete capitulation" in paragraph 1. By a letter of July 12 (9616/E678741) the two letters were also forwarded to the Reich Finance Minister, with a request for him to attend the meeting on July 17. A minute by Lammers of July 17 (9616/E678742) noted that the interview had taken place but that he had not been informed of its outcome. No further information on this interview has been found.

No. 79

7264/E533033

The President of the Reichsbank to the Foreign Minister

BERLIN, July 10, 1934.

W 5647.

The American Ambassador called on me this morning to learn my reaction to the Anglo-German Transfer Agreement of July 4 last.¹ I

¹ See document No. 58, footnote 4.

replied that the question caused me some embarrassment, since he could not possibly expect me to give him any unfavourable views. I nevertheless authorized him to make use of the following two points as being my views:

1) The Reichsbank had not participated in the conclusion of the agreement. The representative of the Reichsbank had been present merely to advise the delegation.

3) [*sic*] I could not approve the attitude of the British Government in wishing to exert pressure on the German Government to the detriment of the other creditors.

Heil Hitler!

HJALMAR SCHACHT

No. 80

8921/E624269

The Ambassador in Italy to the Foreign Ministry

Telegram

No. 149 of July 11

ROME, July 11, 1934—8:30 p.m.

Received July 12—1:00 a.m.

IV Rd. 3310.

With reference to my telegram No. 145.¹

Suvich informed me today that he had studied the whole Memel problem and had reported to the Head of the Government. The Italian Ambassador in London² had been instructed to approach the British Government about initiating an investigation into the reasons given by Lithuania for the dismissal of Schreiber;³ the French Government, on the other hand, had not been approached and the Italians had only informed their Ambassador in Paris.⁴ He must, however, draw attention to the fact that, according to the legal position, Germany had no right to take part in the investigation; rather this was a matter for the four Signatory Powers. Going by all past experience, the composition of this panel naturally did not exclude the possibility of a majority finding in favour of the "serious reasons". Nor did the competent official in the Foreign Ministry here consider, on the basis of what had been known to happen before, that the possibility of the panel of four coming to such a decision was excluded. However, the impression did in fact prevail that Lithuania intended to try to force further developments with regard to the Directorate and the Landtag

¹ Of July 9 (8921/E624263); in this telegram Hassell reported that he had discussed the German Note of protest (see document No. 67, footnote 2), with Suvich, who had agreed to get in touch with him again as soon as he had made a detailed study and informed Mussolini of its contents.

² Dino Grandi.

³ See document No. 67 and footnote 1 thereto.

⁴ Count Pignatti Morano di Custoza.

of the kind desired by her, which would bring her into conflict with the Memel Statute⁵ and thereby afford the Signatory Powers a pretext for intervention. On the strength of this new information, I again pointed out to Suvich the gravity of the situation, the illegality of Lithuania's conduct, the irritation of the population and the responsibility of the Signatory Powers.

HASSELL

⁵ See Editors' Note, p. 137.

No. 81

9559/E672929

The Foreign Ministry to the Ministry for Propaganda

Express Letter

Drafting Officer: Counsellor Wolf.

[BERLIN], July 11, 1934.

[zu] P 6568.¹

Der Stürmer published, in issue No. 27, under the heading "Prague Episode", an article this month which is a gross insult to Masaryk, the President of the Czechoslovak Republic.² In consideration of the international repercussions of this statement and in view of the fact that the German press has been repeatedly asked to avoid insults to foreign Heads of State, I respectfully request that the paper in question be banned.³ It should also be pointed out in this connexion that through its previous publications *Der Stürmer* has already caused serious trouble in foreign affairs, concerning which I need only remind you of the case of Miss Sarah Wambaugh, which forms the subject of your letter IV 4001 of July 5¹ to the editors of *Der Stürmer*.⁴

By order:
ASCHMANN

¹ Not printed (9559/E672926); this is a copy of a letter dated July 5 from the Reich Propaganda Minister to the editors of *Der Stürmer* (a weekly published in Nuremberg and owned by Julius Streicher, a violently anti-Semitic National Socialist leader), drawing attention to a reference in their issue of June 26 to "the Jewess, Sarah Wambaugh in the Plebiscite Commission" and instructing them on Hitler's orders to publish a correction in their next issue in prescribed terms and to exercise greater discretion in future over attacks on public figures abroad. Miss Sarah Wambaugh, an American citizen, was serving on the Saar Plebiscite Commission as Technical Adviser and Deputy Member of the Commission.

² The article (not reprinted, 9559/E672938) suggested *inter alia* that President Masaryk was of Jewish origin.

³ In a letter of July 23, a copy which was sent to the Foreign Ministry (9559/E672939), the Propaganda Ministry cautioned the editors of *Der Stürmer* and requested them in future to refrain from thus prejudicing German foreign policy.

⁴ In a *note verbale* dated July 14 (9559/E672937) the Czechoslovak Legation subsequently drew the attention of the Foreign Ministry to the article concerned. In their reply of July 27 (9559/E672940) the Foreign Ministry described the action which had been taken (see footnote 3 above). In despatch P 7380 II of Aug. 11 (9559/E672942) the Legation in Prague was informed that *Der Stürmer* had again insulted Masaryk and had therefore been banned for two weeks.

No. 82

3242/715878

Memorandum by the State Secretary

BERLIN, July 11, 1934.

The American Ambassador called on me this morning and returned to the subject discussed when he came yesterday.¹ He had spoken to the British Ambassador, who had shown much sympathy for the American point of view and had even criticized the London Agreement² concerning the transfer question. Sir Eric Phipps, however, had asked him to suggest to his Government that they should enter into negotiations on a joint settlement of the transfer question in London and not here, since it was not within his [Phipps'] competence. His (Dodd's) chief concern was to send a telegram to his Government today pointing out the usefulness and feasibility of an agreement between all the creditors and Germany, in order to prevent, at all events, the publication of an American Government statement under pressure from the American holders of the Dawes and Young Loans.

BÜLOW

¹ See document No. 76.

² See document No. 58, footnote 4.

No. 83

8597/E603638-41

The Reich Finance Minister to the Foreign Minister

Y 3202/1—130 IA

BERLIN, July 11, 1934.

W 5730.

With reference to yesterday's discussion¹ in the Foreign Ministry on transfer questions and to the communication from the President of the Reichsbank² which I received today, according to which Harrison, the Governor of the Federal Reserve Bank of New York, intends to take the opportunity of discussing the transfer question unofficially during his visit to Berlin in the next few days, I suggest that the conversation with Harrison³ be conducted in the sense of the [attached] memorandum

¹ No record of this discussion has been found.

² This is presumably identical with the letter of July 10 quoted in document No. 78, footnote 2.

³ In a memorandum of July 17 (8597/E603642-43), Ritter recorded a conversation he had had the previous day with Harrison. No other records of conversations with Harrison have been found.

and that at the same time the American Ambassador be given the substance of this memorandum for his Government's information.⁴

Since the reports about the possibility of German property and assets in the United States being confiscated have taken on a more serious character, it seems to me, if only for this reason, that our next purpose also as regards the United States must be to get over [*hinweg-zukommen*] July 15, which is the next date of maturity, with the express or tacit agreement of the American Government and to try to open negotiations by October 15, which is at present the next date of maturity of importance to the bondholders.

KROSIGK

[Enclosure]

MEMORANDUM

The representatives of the American creditors declared at the Berlin transfer conference⁵ that they had taken part only on the basis of "no discrimination in favour of the creditors of any country and the relinquishment of separate agreements". Some creditors laid down conditions for the acceptance of the Reichsbank proposal, some declined to accept it. For the sake of reaching an understanding with the creditors, the German Government were therefore compelled to enter into negotiations with the Governments of the countries concerned. In the case of Britain . . .⁶ these negotiations have been successful; in other cases⁷ they are still in flux.

As regards the non-Reich debts, the Reichsbank's offer in the Anglo-German Transfer Agreement⁸ has also been accepted on behalf of the British creditors, and it was at the same time decided that the participating Governments should agree on the basis of non-discrimination while taking into account all existing circumstances, including all concessions already made, should the British creditors also demand for themselves any more favourable treatment which Germany might accord to any other country.

This arrangement meets the demand for the exclusion of all discrimination put forward by the American representatives at the above-mentioned conference. The German Government are therefore prepared to make such a declaration also to the Government of the United States.

⁴ Marginal note at the foot of this covering letter: "H[err] M[inisterial]D[irektor] Ritter. I suggest that someone (R[eich]M[inister] or St[ate]S[ecretary]?) should speak to Dodd tomorrow at the latest in the sense of the enclosed memorandum, if only to enable us to claim at a later date that the Americans had tacitly accepted our failure to pay the Bank for International Settlements on July 15. U[rich], July 12." See also footnote 11 below.

⁵ See Editors' Note, p. 16.

⁶ Thus in the original.

⁷ Presumably a reference to the negotiations with the Netherlands and Switzerland; see also documents No. 38, footnotes 7 and 8, and No. 53.

⁸ See document No. 58, footnote 4.

With regard to the Reich loans, the German Government, in accordance with their communication of June 14,⁹ also made to the Government of the United States, have negotiated with the Governments of the afore-mentioned countries with the object of adjusting their contractual obligations to their present economic capacity, after the trustees [*Treuhänder*] for the Dawes and Young Loans had rejected such negotiations.¹⁰ At these negotiations the interest levels, which in the German view were excessive, were unfortunately not permitted to be adjusted to the requirements of the German foreign exchange position. On the other hand, certain concessions were granted in regard to the date of transfer for the interest, as well as in regard to the amount of interest to be paid, by taking the nominal value of the different currencies as a basis instead of gold; furthermore there is no question of a transfer for amortization during the period (six months) envisaged in the agreements.

It was incumbent on the German Government, in the first place, to make sure that such trading conditions in fact existed as would ensure a sufficiently favourable German foreign exchange balance with these countries, although the payment of the debt service was not specifically made contingent on any one particular commercial concession. These conditions were in fact created in the course of the negotiations.

The German Government would now welcome the speedy opening of negotiations with the Government of the United States and to this end would request that they be informed as to whether and when such negotiations would be convenient. With regard to the time factor and the scope of the subject of negotiation, it should be pointed out that the maturity dates of the coupons for the Dawes and Young Loans falling within the second half-year of 1934 are October 15 and December 1 respectively; so that it would be necessary to reach a settlement acceptable to the bondholders by these dates. Furthermore, it should be pointed out that, as a result of the monthly payments in foreign currency made by Germany up to June 1934 to the Bank for International Settlements, a substantial part of the interest payments for these coupon dates is already at the disposal of the trustees for the

⁹ This was in fact presented on June 15. For the Note presented in Washington on that day see *Foreign Relations of the United States, 1934*, vol. II, pp. 356-363.

¹⁰ In a letter of May 7, 1934 (9119/E641655-56) to the Bank for International Settlements (the Trustee of the Young Loan and Fiscal Agent for the Dawes Loan), the Reich Finance Minister invited the Trustees of the two loans to discuss the transfer problem with the German Government, as the Reichsbank would not, after June 30, be able to furnish foreign exchange for the servicing of foreign loans. In his reply of May 8 (9119/E641650) Fraser, the President of the Bank for International Settlements, stated that the Trustee of the Young Loan had no right to consent to any alteration in the terms of the loan and must insist on full payment in foreign currencies. In a further letter to the Reich Finance Minister of May 16 (9119/E641722-25) Fraser reiterated this view and stated that he could not see what useful purpose could be served by a discussion. In a letter to the Reich Finance Minister of May 18 (9119/E641803) the Trustees of the Dawes Loan propounded a similar view.

loans and that in the case of the Dawes Loan it is a matter of reaching an understanding about the remaining 50 per cent of the debt service due on October 15 and in the case of the Young Loan the remaining five-sixths.

Should the Government of the United States declare themselves agreeable to the proposed negotiations and should they, in accordance with the desire which the German Government have repeatedly expressed, also be prepared to include in the deliberations the related and broader question of German-American trade, the German Government would be only too ready to welcome this.¹¹

¹¹ According to a memorandum by Bülow of July 13 (4602/E189524), he had a conversation with Dodd on that date, in which he made use of the enclosure here printed and was asked to furnish a written communication. Bülow accordingly sent Dodd an *aide-mémoire* dated July 13 (8597/E603644-45) with a short covering letter that day (4602/E189525). See *Foreign Relations of the United States, 1934*, vol. II, pp. 379-380.

No. 84

7467/H181330-33

The Ambassador in Great Britain to the Foreign Ministry

Telegram

No. 210 of July 12

LONDON, July 12, 1934—8:10 p.m.

Received July 12—10:40 p.m.

II Abr. 1918.

The conversations between the British statesmen and Barthou¹ appear to have followed the course which emerges from my telegram No. 202² about my most recent conversation with Sir John Simon.

As Eden, who dined with me shortly after Barthou's departure, told me, Barthou was very keen to dispel the unfortunate impression he had made on the British statesmen in Geneva. Accordingly, the conversations were conducted in a friendly spirit and the impression which has been left here is not bad.

Moreover, I hear that the conversations were made considerably easier by the fact that, on the one hand, the British statesmen, in view of the alleged uncertainty of the position in Germany, refrained from pressing France further towards disarmament and, on the other hand, that the French did not show that spirit of panic which they have previously so often displayed. Both sides are, moreover, said to have agreed in doubting whether the present German régime would continue. It was, however, stressed on the British side that the problem of collaboration with the German nation of 65 millions, and

¹ Barthou visited London July 8-10. See *British Documents*, Second Series, vol. VI, Nos. 487, 488, 489 and 490.

² Document No. 71.

therefore with the German régime, would remain unchanged and could only be successfully handled by recognizing Germany's equality of rights, whilst preserving the ideal of disarmament.

As far as the practical substance of the conversations is concerned, it is first of all clear that the British described as out of the question any direct British participation in the Franco-Russian pact proposals. They also seem to have ruled out any change in the structure of Locarno in the form of some kind of inclusion of Russia in the Locarno system. On the other hand the French have obviously refrained from bringing up for discussion the familiar and complicated construction worked out for linking Locarno and the Eastern Pact in one overall pact, and they have undoubtedly [*sic*]³ confined themselves to commending the plans for an Eastern Pact. In any case Eden told me in confidence that Barthou had attached the greatest importance in his mission to making the projected Eastern Pact palatable to the British Ministers. The project for a Mediterranean Pact had, in comparison, completely receded into the background. Concerning the Eastern Pact and the associated concept of a mutual Franco-Russian special guarantee, the British statesmen, Eden went on to say, had mainly objected that such a combination would disturb the balance of the Pact. While pointing out that Locarno, which was supposed to provide the model of the Eastern Pact, also included the concept of equality for its members, the British raised the objection with Barthou that an assurance of mutual aid between France and Russia, should the obligation to render assistance become actual, without a simultaneous analogous obligation being assumed in Germany's favour, would contradict the principle of all signatories to the Pact having equal rights, and would distort the position to Germany's disadvantage.

It appears as though Barthou was concerned to give assurances in the face of these objections. He also appears to have dispelled British anxiety arising from the consideration that Britain might be indirectly involved by France's position as a guarantor of the Eastern Pact and by her consequent obligation to render assistance in the East via Locarno, whereby France might be embroiled in military action against Germany over Eastern questions, and the Locarno problem thus be brought up.

In this connexion I hear from elsewhere that the British statesmen were not much attracted by the expected [*sic*]³ plan of bringing Russia into a European system of security and that on this occasion the British displayed a hostility towards Russia, the strength of which astonished Barthou.

Nevertheless, Barthou appears finally to have succeeded in arousing a certain sympathy for the Eastern Pact project amongst the British by

³ This word is queried as doubtful in transmission.

hinting that, should Germany join the Pact, this might contribute to easing the solution of the disarmament problem, and further by his efforts, through repeated and emphatic assurances, to allay any suspicion that France was striving for some sort of encirclement of Germany by means of the Eastern Pact. Accordingly, the British attitude towards the projected Eastern Pact appears finally to have crystallized into a benevolent neutrality, although I am not yet clear as to whether the British Government have committed themselves to endeavouring to exert any influence on Germany to induce her to accede to the Pact.

In the question of disarmament Barthou is, moreover, said to have taken the view that the latest events in Germany had altered the situation, and perhaps rendered it more difficult, in so far as the Reichswehr had now become the decisive power factor and the question of transforming of the German Wehrmacht into an army of short service soldiers now scarcely arose, a simple increase of the Reichswehr by 200,000 (two hundred thousand) long service soldiers being planned instead.

Yesterday, at the French Embassy, I had the opportunity of conversation with the French Minister of Marine, M. Piétri, whom I knew well in Paris, as well as with Léger, Massigli and other French personages. On this occasion I heard from several quarters that an understanding with Germany was necessary and would eventually be possible. On the other hand I also gathered how proud the French are of their *rapprochement* with Russia and how much they enjoy having placed Germany, as they believe, before the choice between either joining the Eastern Pact or finding herself faced by a Franco-Russian alliance.

The House of Commons debate on foreign policy, fixed for tomorrow, in which Baldwin and Sir [John] Simon are to speak, should give the official British version of the results of the Barthou visit. I propose to call upon Simon after the week-end.

HOESCH⁴

⁴ An abridged version of the document here printed (7467/H181335-37) was circulated on July 14 to the Missions in Paris, Rome, Moscow, Washington, Berne, Brussels and Warsaw.

No. 85

6695/H100220-23; 270-73

Memorandum by the Foreign Minister

BERLIN, July 12, 1934.

RM 813.

The British Ambassador, who had asked to be received today, made the following statement to me:

He was instructed by his Government to inform me of the result of Barthou's discussions with the British Government.¹ The discussions in the main had revolved around the Eastern Pact proposed by the French Government. This was based upon a French draft, of which he would give me a copy.² As this draft envisaged no reciprocity for Germany, the British Government had urged in the discussions that, in connexion with mutual assistance, France and Russia should undertake the same obligations in relation to Germany, as Germany should agree to in relation to France and Russia, in the event of an attack on one of the parties to the treaty. The proposals of the British Government on this head, which have been accepted by France, were contained in paragraphs 1 and 2 of the memorandum which he was handing over as an *aide-mémoire*.³ As the British Government were convinced that Germany in her present disarmed state could not join the proposed Eastern Pact as a party with equal rights, they had urged M. Barthou to make concessions with regard to the rearmament of Germany, if she should decide to join the pact. The concessions proposed by Britain and agreed to by M. Barthou were contained in paragraph 3 of the *aide-mémoire* already referred to.

Sir Eric Phipps asked what our attitude to the pact proposal was, and mentioned that the British Government would welcome the conclusion of an Eastern pact between Poland, Russia, Germany, Czechoslovakia, Finland, Estonia, Lithuania and Latvia. Great Britain herself, however, could not go beyond the obligations she had already assumed under the Locarno Pact, and therefore could not participate in such a pact.

I told Sir Eric Phipps that, up to the present, we had only been given a very general idea of the proposed Eastern Pact. I was therefore not now in a position to give him a final answer on our attitude to this pact which he had handed to me. We would of course study the proposal thoroughly and seriously. I wanted, however, to put three questions to him now: first, whether Britain's decision not to participate in such an Eastern pact was final? Should this not be the case, and should Great Britain perhaps find that she could become a party to such a treaty, then I could imagine that our attitude to the pact would be materially affected. The Ambassador declared that Britain could never participate in such a pact which would place upon her obligations towards States not her neighbours. Thereupon I drew the Ambassador's attention to the fact that this argument could also apply to a great extent to us, for we were neighbours only of Poland, with whom

¹ For Barthou's visit to London see document No. 84 and footnote 1 thereto; for the instructions to Sir Eric Phipps see *British Documents*, Second Series, vol. VI, Nos. 492, 496 and 497.

² Enclosure 1.

³ Enclosure 2.

we had a special agreement,⁴ and of Czechoslovakia, with whom we had no differences.

I then asked the Ambassador whether it had been taken into consideration in London that, as a party to the Eastern Pact, we might at some time be compelled to fulfil our obligations to support the other parties to the treaty against Britain. In reply the Ambassador pointed out that such an obligation was not automatically provided for in the treaty, inasmuch as in case of an attack by a Power not party to the Eastern Pact, at first there would have to be consultation only, at which there would always be a possibility of refusing military assistance.

Finally I asked the Ambassador whether he really believed that we would sign, with our eyes open, a pact in which all the signatories except ourselves were armed to the teeth, and whether he could imagine the rôle we should play as an unarmed State in such a pact system. The Ambassador, in reply, drew attention to the alleged concessions in paragraph 3 of the British proposals. I thereupon told him that, to my regret, I had to state that these concessions were merely phrases. It should at last have been realized in Britain too that we could only become a party to an international treaty of such importance with completely equal rights, i.e., that we must then have the same rights in the formation of our Wehrmacht as the other parties to the treaty. The Ambassador thought that there were hopes in Britain that, if an Eastern Pact were concluded, it might be possible to get the highly armed States also to agree to disarmament. I replied that in that case we would first have to see how far our co-signatories were prepared to disarm.

Sir Eric Phipps asked me, in conclusion, to inform him of our attitude in due course.⁵

FRHR. V. NEURATH⁶

[Enclosure 1]

BRITISH EMBASSY, BERLIN.

ORIGINAL FRENCH PROPOSALS⁷

1. *Treaty of Regional Assistance to be signed by Poland, Russia, Germany, Czechoslovakia, Finland, Estonia, Latvia, Lithuania.*

Part I

- (a) These countries would bind themselves in conformity with

⁴ A reference to the German-Polish Declaration of Jan. 26, 1934; for the text see vol. II of this Series.

⁵ Another copy of this memorandum (7562/E542101-04) is marked: "The Chancellor is informed. [ammers], July 17."

⁶ For Phipps' account of this conversation see *British Documents*, Second Series, vol. VI, Nos. 499 and 505.

⁷ Except for the headings, enclosures 1 and 2 are in English in the original.

Covenant immediately to lend assistance to one another in the case of attack by one contracting State on another.

(b) No support would be given by any of signatories to an aggressor country not a party to treaty.

Part II

(a) In the case of attack or threatened attack by a contracting country, the other parties would consult together with a view to avoidance of a conflict and in order to promote a return to peace.

(b) The signatories would undertake the same commitment in the case of attack or of threatened attack by a Power which is not a signatory against a signatory Power.

(c) The consultations referred to in paragraphs (a) and (b) of Part II could extend to other interested Powers or to Powers entitled to participate in them by virtue of other treaties.

(d) Where one contracting country could benefit from provisions of Article 10 and Article 16 of Covenant of League, the other signatories would undertake to secure a complete application of such provisions by League of Nations.

2. *Agreement between France and Russia.*

(a) As towards France, Russia would accept obligations arising from Treaty of Locarno as though Soviet Union were a signatory of that treaty on same footing as Great Britain or Italy.

(b) As towards Russia, France would accept commitments which would arise for her under Part I, paragraphs (a) and (b), of Regional Treaty if she were a signatory, in cases where it is a question of action in fulfilment of Article 16 of Covenant or decisive action taken by Assembly or Council or in fulfilment of paragraph 7 of Article 15 of Covenant.

(c) France would be invited, if case arose, to participate in consultations provided for in Treaty of Regional Assistance under terms of Article (a) of Part II.

3. *A General Act, Signatories: all States signatories of Treaty of Regional Assistance and in addition France.*

(a) The two preceding treaties are recognized as being of a character to contribute to maintenance of peace.

(b) They are without prejudice to obligations and rights of contracting parties as members of League of Nations.

(c) Entry into force of three acts is subject to their ratification and to entry into League of Nations of Russia.

[Enclosure 2]

BRITISH EMBASSY, BERLIN.

BRITISH PROPOSALS ACCEPTED BY FRANCE⁷

(1) In the view of the French Government, Russia ought to be prepared to give Germany as well as to France the same guarantees against non-provoked aggression as those which she would be bound to give if she were a signatory to the Treaty of Locarno.

(2) In regard to the proposed Eastern Pact France would be prepared to give the same guarantees to Germany and Russia.

(3) The French Government agrees with His Majesty's Government in holding that the conclusion of such a pact and Germany's participation in the system of reciprocal guarantees now contemplated would afford the best ground for the resumption of negotiations for the conclusion of a Convention such as would provide a reasonable application of the principle of German equality of rights in a régime of security for all nations.

No. 86

6695/H100278-81

Circular of the Foreign Minister¹

Telegram

PRIORITY

BERLIN, July 13, 1934—9:20 p.m.

MOST URGENT

e.o. IV Ru. 3322.

The British Ambassador yesterday handed over a draft, originating from France and dealing with, firstly, a regional Eastern Pact for reciprocal assistance and consultation to be signed by Poland, Russia, Germany, Czechoslovakia, Finland, Estonia, Latvia and Lithuania; secondly, a draft for an agreement between France and Russia concerning a Locarno guarantee by Russia and possible assistance by France to Russia; thirdly, a general agreement between the signatories of the Eastern Pact and France; and fourthly, an *aide-mémoire* of British proposals for amendments accepted by France.² Texts being sent by post today. The Ambassador advocated the conclusion of the Pact, but repeatedly stressed that Britain could not go beyond her Locarno obligations, and therefore could not take part in such a pact herself.

The Foreign Minister promised to study the project, but immediately adopted a very critical attitude towards it and emphasized the objections arising especially out of our geographical and military situation.

¹ Addressees were the Missions in Great Britain, Italy, France, the Soviet Union, Turkey, Spain, Poland, Finland, Estonia, Latvia, Lithuania, Rumania, Hungary, Switzerland, Belgium, Yugoslavia and Czechoslovakia.

² See document No. 85 and enclosures thereto.

For your guidance on language to be held:

This involves the creation of a system of pacts which is to effect a fundamental change in political conditions in Europe. Besides the Balkan Pact,³ there is apparently to be included in the system a Mediterranean pact, of which we have not been informed at all. By means of this system of pacts, France's position of hegemony in Europe, based on her own military preponderance and on military alliances (including a Russo-French military alliance), is to be extended and secured. France's claim to participation in every consultation, and her right to intervene, are laid down by treaty. In the meantime, it is not apparent with what concessions France has bought Britain's assent and support. The following points of view are especially important:

(a) *Disarmament*

Nothing whatever is said about disarmament. For Germany there is no provision for equality of armaments, or security, or equality of rights. Completely empty phrases in the British *aide-mémoire*, for which the British Government appear to expect special recognition, make not the slightest difference.

(b) *League of Nations*

Britain and France decide without ceremony on Russia's entry into the League of Nations. The League of Nations will be made subject to the Russo-French pact system. France, Russia and Britain will form an arbitrating body within the League of Nations, in particular they will have a decisive influence on the application of Articles 10 and 16.⁴ Germany is to be brusquely compelled to return to the League of Nations, without reform of the League and without recognition of Germany's just demands.

(c) *Locarno*

Locarno will be vitiated by the inclusion of the Russian guarantee. The French guarantee for Germany in the East is worthless. The Russian guarantee for the Rhine pact is not discussible.

In any conversations, you should not speak about acceptance or rejection of the plan by Germany, but only point out the factors against a realization of the plan. You should also emphasize that this plan, with its formation of alliances and groups, is not calculated to contribute to the peace and quiet of Europe.

A despatch follows.⁵

³ See document No. 10, footnote 7.

⁴ Articles 10 and 16 of the League Covenant. Article 10 provided for the Council to advise on measures to be taken in case a member nation were attacked; Article 16 laid down the obligations of member States in such a contingency.

⁵ See document No. 92.

For Helsinki, Tallinn, Riga, Warsaw and Rome only

It would be useful for us to be informed forthwith about the attitude of the Government to which you are accredited.

To all Missions: You should report by telegram.⁶

V. NEURATH

⁶ A circular of July 14 (8814/E613734-35), informed the recipients of the document here printed that Hoesch had been informed by the French Embassy in London that the proposals for three treaties [printed as Enclosure 1 to document No. 85] were merely an outline, not a "document".

No. 87

6695/H100308-05

The Ambassador in Italy to the Foreign Ministry

Telegram

No. 157 of July 13

ROME, July 13, 1934—9:30 p.m.

Received July 14—1:30 a.m.

IV Ru. 3345.

Suvich asked me to call on him in order to give me, on instructions from the Head of the Government, an explanation of the Italian point of view as represented in the Agenzia Stefani communiqué published today.¹ The Head of the Government felt all the more impelled to supply this information as Sir John Simon, in the House of Commons today, had stated that the British Government had been in communication with the Italian Government.² The British Ambassador³ had stated today that the British Government had originally been opposed to the French pact plans, suspecting them of being directed against Germany. However, in the course of discussions in London, the French ideas had been given a completely different aspect. The proposals now were that, within the framework of the agreement on mutual assistance, France should guarantee both Russia and Germany against the other party; conversely Russia should guarantee Germany as well as France against attack by the other party, not, however, within the framework of the Locarno Pact, but independently of it. The British Government took a more favourable view of this new form, but at the same time had told Barthou that they would communicate

¹ The communiqué had pointed out that, in consequence of the Simon-Barthou conversations, the proposed pact had undergone "radical modification"; with France, Germany and Russia placed on an equal footing, it had been robbed of any danger of being directed against Germany, whilst it had the further advantage of implicitly recognizing German equality of rights. Italy, who was not directly interested in the frontiers concerned, but only in the general European situation, had followed a policy similar to Britain, namely no fresh engagements beyond Locarno, but favourable consideration for the pact as now revised, the decisive word being, however, left to the interested States.

² For Simon's speech on July 13, 1934, see *Parl. Deb., H. of C.*, vol. 292, cols. 691-705.

³ Sir Eric Drummond.

with the Italian Government. The following were the reasons given for the change in the British views:

- (1) Britain did not assume any new obligations.
- (2) The guarantee would now have an entirely similar character both for Germany and France.
- (3) The French Government would thereby at last receive, in the eyes of public opinion, the long sought security.
- (4) The plan for German equality of rights could be turned to advantage inasmuch as at long last it would be possible to hope that the disarmament convention could be achieved.
- (5) On the other hand something had to be done to meet the French ideas, as otherwise a Russo-French alliance was to be feared. Mussolini had replied that, after the information given by the Ambassador, the French plans had also taken on a somewhat different aspect for him too, so that he could feel more sympathetically inclined to these ideas. Italy, however, was not herself a party to the pact nor interested in it, so that she must leave the decision to the interested Powers. In the spirit of this reply he had caused the communiqué especially to emphasize that the new form had the effect of implicitly acknowledging German equality of rights, against which no further reservations could be sustained.

I replied that I took note of his statement, though I felt obliged to say that it seemed to me there still remained many objections. If I had understood him aright, Italy would do nothing in the matter. This he confirmed.

He added that he must now await Chambrun's⁴ return from Paris, which must be within the next few days, in order to hear the French comments. Barthou's visit, for which an official invitation had not yet been issued, was to take place at the end of September or the beginning of October. As soon as the visit had been fixed, an attempt would be made to settle beforehand the question of the Italian Statute in Tunis,⁵ and that of the Tunis-Tripoli frontier, so that Barthou's conversation with Mussolini should not be encumbered with these matters.

Please instruct me by telegram on what I should say to Mussolini, at the beginning of next week.⁶

HASSELL

⁴ Comte de Chambrun, French Ambassador in Rome.

⁵ The Franco-Italian Consular and Settlement Convention regarding Tunisia of Sept. 28, 1896, which defined the rights of Italian residents in Tunisia; for the text in French, see *B.F.S.P.*, vol. 88, pp. 720-734.

⁶ No instructions beyond the general ones printed as document No. 92 were sent. The text of the document here printed was repeated on July 14 to the Missions in London, Paris, Moscow and Warsaw by telegram, and to those in Riga, Tallinn, Kovno, Helsinki, Bucharest, Prague, Brussels and Berne by cypher letter (6695/H100306).

No. 88

6695/H100819-20

The Ambassador in Italy to the Foreign Ministry

Telegram

No. 156 of July 14

ROME, July 14, 1934—10:45 p.m.

Received July 15—2:30 a.m.

IV Ru. 3353.

Suvich asked me to call on him again today in order, on special instructions from the Head of the Government, to give me the following information:

Mussolini had received the Russian Ambassador here, Potemkin, and, in conversation with him, had gained the impression that the Soviet Government were interested in using the pact question to achieve better relations with Germany. Mussolini thought that in this respect the affair was perhaps not without promise.

Hereupon I spoke in accordance with your telegram No. 208 of July 13,¹ and expressed surprise at the change in the British and Italian attitudes. Suvich thought my surprise understandable but, on closer study, not really justified, as in London the matter had in fact assumed a completely different aspect. I drew Suvich's attention to a number of points where our former objections remained, whereupon Suvich replied that one should not over-estimate the whole pact system. The Balkan Pact² which I had mentioned was, in fact, already undermined nowadays; a Mediterranean pact had not been discussed with Italy at all, and he also thought that it had played no part in London; in any case it was far from becoming a reality. He shared our view that the essential point of the matter was the question of equal rights, inasmuch as the proposals made it now possible for us to take a decisive step forward in this question or alternatively to demonstrate in a striking manner that it would not be Germany's fault if neither a pact nor a disarmament convention materialized. I referred to the empty English phrases on this point, and asked Suvich if he really believed that what the French newspaper *Journal* reported was correct, namely that: "The main thing is the statement by Simon, that France had commissioned Britain to inform Berlin that the entry of Germany into an Eastern Locarno would result in the realization of equality of rights".³ Suvich answered that he, of course, did not believe this. This was precisely why he considered us to be in a

¹ Document No. 86.

² See document No. 10, footnote 7.

³ A reference to Simon's speech in the House of Commons on July 13; see document No. 87, footnote 2.

favourable tactical position, i.e., if, in the diplomatic negotiations which were now beginning, we assumed equality of rights to be the *sine qua non* for the whole pact idea.⁴

HASSELL

⁴ The text of this document was repeated on July 16 to the Missions in London, Paris, Moscow and Warsaw by telegram, and to those in Kovno, Riga, Tallinn, Helsinki, Bucharest, Prague, Brussels and Berne by cypher letter (6695/H100321).

No. 89

6114/E454308-10

Ministerialdirektor Köpke to Ambassador Hassell

IMMEDIATE

BERLIN, July 16, 1934.

zu II Oe. 1717.¹

DEAR HASSELL: I am writing to you privately in reply to your report No. I 774 of July 5,¹ so as to tell you personally what our attitude is to the various questions you raised in it.

First I should like to say, with the Foreign Minister's approval, that we fully appreciate that the five points drawn up in Venice jointly with Suvich do not by any means constitute an agreement between the two Heads of Government. On the other hand, it seems to us that the Italians are going too far in behaving as though these five points were merely a summary of the German views of which the Italians had taken note. This question is, however, not under discussion at present.

The salient point at the moment is rather the question of what attitude to take concerning the terrorist activities in Austria. With regard to this we must proceed on the basis that we still do not consider it possible to reach an understanding with Dollfuss on the Austrian question. In dealing with the question of terrorist activities we must, therefore, leave Dollfuss right out. We have, accordingly, instructed Herr Rieth not to get in touch with Herr Dollfuss on this question which, owing to the new Austrian laws, has now acquired a special interest.² Moreover, as far as the terrorist activities are concerned, it is not as though we could simply order these acts to cease; consequently there is no prospect either of Herr Dollfuss starting conversations with us on the settlement of the Austrian question, by way of, for instance, discussing the situation which has arisen as a result of the new Austrian laws.

¹ See document No. 62, footnote 3.

² In telegram No. 56 of July 14, 1934 (8941/E627667-68), Rieth had reported the promulgation of two laws by the Austrian Government, laying down that anyone in possession of explosives with a view to using them for terrorist activities, or anyone preparing or perpetrating terrorist acts with explosives would be punishable by death. In telegram No. 57 of July 14, 1934 (6112/E453536-38), Rieth had suggested that he take this matter up with Dollfuss in order to prevent any death sentences being pronounced. According to a memorandum by Heimbürg of July 16, 1934 (6112/E453540), he had instructed Rieth by telephone that morning, on the authority of the State Secretary, on no account to take this matter up.

This is what was meant in our telegram No. 391 [193]³ of July 4, where we pointed out that the presumption that terrorist activities in Austria must cease before a settlement between Vienna and Berlin could be reached—which the Palazzo Chigi told you the Austrian Federal Chancellor was demanding—was beside the point.

Moreover, as I would like to tell you in strict confidence, the Reich Chancellor remarked to Herr von Neurath, when the latter reported on the matter, that he was in no hurry about the Austrian question.⁴

Then there is another matter which I would also like to mention. The discrepancy in the drafting of the five points (see page 2 of your report)¹ naturally did not escape our attention either. We are agreed, however, that the Italian version represents no improvement for us at all.

Despite this we would, of course, still be willing, as the Italians have for understandable reasons particularly emphasized, to discuss the Austrian problem jointly in Rome (Point Five). But we do not think there is at present any practical reason for bringing this about.

Yours etc.,

KÖPKE

³ Document No. 56.

⁴ See document No. 62, footnote 4.

No. 90

9296/H255869-71

Memorandum by the State Secretary

TOP SECRET

BERLIN, July 16, 1934.

The German Military Attaché in London, Colonel von Geyr, came to see me today, as arranged with Ambassador von Hoesch, in order to explain that Britain's present attitude, her obligingness with regard to French wishes, her advocacy of the Eastern Pact, and her link with Russia, distasteful as this was to her in itself, could ultimately be traced back to anxiety about German armaments in the air. He said that there was quite an air panic in Britain. They regarded Germany and Japan as the two most militaristic countries in the world, and just as Japan started the Russo-Japanese war by a surprise attack on Port Arthur, and Germany the World War by a surprise attack on Brussels,¹ so they expected a sudden German air attack on London. The whole of the new British air armament was directed exclusively against Germany and against the danger of a German air attack, especially on London. Fighter squadrons were always kept ready in the vicinity of London and great nervousness was everywhere noticeable. Unfortunately it could not be denied that, whilst one found amongst the

¹ In other copies of this document, "Brussels" has been corrected to "Liège". (4601/E188786-88).

British much confidence in, and even a certain sympathy towards the Reichswehr Ministry, the Reich Air Ministry was profoundly mistrusted. It was obviously known in England, as I confirmed by putting questions to him, that we were building bomber aircraft and producing bombs. Colonel von Geyr said he had been directed² to discuss with the Reich Air Ministry whether anything, and if so what, could be done to reassure the British.

I told Herr von Geyr that, when reassuring the British, in no circumstances must it be in any way admitted that we had embarked on any construction contrary to the treaties or given any orders in contravention of the Treaty of Versailles, even with the object of adding a promise that we would not overstep a certain level. All that could be done in this direction would be to tell the British, as from one soldier to another, and not through diplomatic channels, that we were prepared at any time to conclude an air convention, with modest German air claims which we would strictly observe. In point of fact we could not conclude such a convention because it would only settle a part of the disarmament question. If the British obtained a reassuring convention in the one sphere in which they were really interested, namely in the air, they would not be interested in any other disarmament, and we would never succeed in getting a convention with the French for an increase in land armaments.

We agreed that Herr von Geyr should first speak to the Reich Air Ministry and then call on me again to report on the result of his talk.³

BÜLOW⁴

² Marginal note in Neurath's handwriting "By whom?"

³ See document No. 98.

⁴ In a letter to Hoesch of July 17 (4620/E200506) Bülow wrote: "Your Military Attaché called on me yesterday and made the statements which you will find in the enclosure [i.e., the document here printed]. What he said went considerably further than anything in his or your reports hitherto. I have not even put everything Colonel von Geyr told me in the memorandum. I should be grateful if you would for your part state your attitude to the whole question (by private letter if you prefer)." See also document No. 99.

No. 91

8118/E581501

*The State Secretary in the Reich Chancellery to the
Reich Minister of the Interior*

STRICTLY CONFIDENTIAL

BERLIN, July 16, 1934.
Rk. 6090.

With reference to your kind letter III 671/3172 of July 7¹ regarding

¹ Not printed (8118/E581492-500). This letter, a copy of which was also sent to the Foreign Ministry (see document No. 50, footnote 3), contained a draft for a statement to be made by Hitler immediately after agreement had been reached on the application of Article 31 of the Reich Concordat. For the text of this draft see document No. 147 and footnote 3 thereto.

the Reich Concordat² I should like, by order of the Reich Chancellor, to inform you of the following:

The Reich Chancellor agrees to the wording of paragraph 2 of the draft for his public statement. He is of the opinion that the State could certainly declare itself willing not to interfere with the Catholic Church's proselytizing activities. He does not, however, consider it justifiable entirely to deprive the State of the possibility of proselytizing in connexion with Church matters. I would ask you, by order of the Reich Chancellor to submit a draft which will take this point into account.³

LAMMERS

² See document No. 50, footnote 1.

³ See document No. 147.

No. 92

6695/H100375-87; 89

*Circular of the Foreign Minister*¹

BERLIN, July 17, 1934.

e.o. IV Ru. 3375.

With reference to instructions II Abr. 1565 of June 8² for 1-4, 7-11, 15, 17, 23,

instructions II Abr. 1575 of June 9³ for 5, 6, 12, 16, 19-22, 24, 26,

telegram of July 13 [e.o. IV Ru. 3322]⁴ and instructions IV Ru. 3319 of July 13⁵ for 1-11, 15, 17, 18, 20, 21, 23,

telegram No. 59 of June 9 for 25.⁶

The policy of the Soviet Union in the last few years has been decisively influenced by two factors—the fear of a conflagration in the Far East,

¹ These instructions were despatched on July 17-19 to the Embassies in (1) Great Britain, (2) Italy, (3) France, (4) the Soviet Union, (5) Spain, (6) Turkey; the Legations in (7) Poland, (8) Lithuania, (9) Latvia, (10) Estonia, (11) Finland, (12) Sweden, (13) Norway, (14) Denmark, (15) Belgium, (16) the Netherlands, (17) Switzerland, (18) Rumania, (19) Bulgaria, (20) Hungary, (21) Yugoslavia, (22) Austria, (23) Czechoslovakia, (24) Greece; the Embassies in (25) Japan, (26) the United States; the Consulate at (27) Geneva; the Legation in (28) China, and the Consulate General in (29) Danzig.

² See vol. II of this Series. The file number was changed from e.o. II Abr. 1565 to IV Ru. 2758 after despatch.

³ Not printed (6695/H099964) (the file number was changed from e.o. II Abr. 1575 to e.o. IV Ru. 2759). This circulated to certain Missions copies of Berlin telegram (e.o. IV Ru. 2744) of June 7, 1934, and Berlin telegram of June 8 to London, Rome and Brussels, for which see vol. II of this Series.

⁴ Document No. 86.

⁵ Not printed (6695/H100269). This circulated enclosures 1 and 2 to document No. 85.

⁶ Not printed (6695/H099967-68). This transmitted a summary of the documents of June 7 and 8, 1934, cited in footnote 3 above.

and the fear of aggression by Germany against Soviet Russia and the Baltic States. As the Soviet Union was not yet sufficiently prepared for a conflict in the Far East, it attempted, on the one hand, to avoid war breaking out in East Asia and, on the other hand, did all it could to provide for increased security in the West. The outcome of this point of view in the past few years has been the conclusion of non-aggression treaties and agreements on the definition of an aggressor. The same considerations caused the Soviet Government to support the maintenance of the *status quo* in Europe and sharply to reject all attempts at revision; any alteration in the *status quo* appeared to them as a threat to peace, which in the end might lead to action against the Soviet Government. This attitude on the part of the Soviet Government led to the *rapprochement* with France. The National Socialist movement in Germany coming to power caused the Soviet Government to fear that German policy might abandon the existing principles governing German-Russian relations. There was serious concern lest Germany carry on the fight against Communism, not only at home but on a world-wide scale, and create an anti-Soviet front, the ultimate aim of which would be a crusade against Bolshevik Russia. Ideas of German expansion in the Baltic States, and of severing the Ukraine from Russia, were regarded as particularly dangerous. Litvinov, although he was fully acquainted with the principles of German policy and knew that Germany was not pursuing any aggressive designs on Russia or the Baltic States, has maintained his preconceived standpoint. From this standpoint, Litvinov, a few months ago, made the proposals regarding the independence and the inviolability of the Baltic States, which met, as you are aware, with negative results.⁷

The *rapprochement* with France found particularly clear expression in the sphere of disarmament. While the Soviet Union at first strongly protested that, owing to French influence, the Conference was turning more and more from the real subject of disarmament and was concerning itself with the question of security by treaty, since February 1933 a reversal has set in. The Soviet Union fell more and more into step with the French security policy, and finally went as far as to propose, at the last meeting, the conversion of the Disarmament Conference into a sort of permanent security conference.⁸

In their efforts to reaffirm the *status quo* in all territories, France and Russia have proceeded to work out a project by which they think they may be able to achieve their aims; namely, extending and strengthening the French position of hegemony in Europe; securing Franco-Russian cooperation against Germany by the entry of Russia into the French

⁷ See document No. 1, footnote 2.

⁸ See Litvinov's speech to the General Commission for the Reduction and Limitation of Armaments on June 8, 1934, in *Minutes of the General Commission*, vol. III, pp. 685-686.

system of alliances and into the League of Nations simultaneously; and relieving the Soviet Union on her western frontier in case of a conflict in the Far East. The draft treaty which the British Ambassador handed to me a few days ago⁹ is drawn up along these lines.

I. The diplomatic *procedere* in this matter has caused the most profound surprise. The pact idea was first announced orally in very general terms by the French Ambassador in Berlin and described as a Russian idea;¹⁰ a few days later these ideas were made known to us, likewise orally, by M. Litvinov on his way through Berlin, when he let it be understood that they were a French conception.¹¹ For my part I analysed the positive and negative factors in the ideas put before me, and also promised to give the matter careful consideration if occasion should arise. Now, without waiting for our reactions, or discussing with us confidentially the possibilities presented, this pact proposal has been presented to Germany by a Power which is not participating in it at all, namely Britain, whilst it has simultaneously been made public. Germany has thereby been placed before a kind of diplomatic *fait accompli*. At the same time the French Embassy in London has stated that it is not a question of a completed document but merely the outlines of a treaty, worked out jointly by the French Embassy in London with the "Foreign Office".¹² We cannot regard a Power which declines all participation in the treaty and refuses to accept any further commitments as entitled to assume the part of official advocate and propagator of the new pact system. The expectation, which perhaps might explain the British initiative, that by concurring with such a pact system, they might be rid of the perpetual French demands for security and offers of an alliance, apart from the fact that it might prove false, is not one which would influence our decision in any way.

II. The group of States to be parties to the new pact system has been quite arbitrarily composed. It is not possible to discern any justifiable grounds for bringing these particular States together. If Czechoslovakia is brought in, then why not Rumania, or even Sweden and Norway? Above all there must arise the question as to what justification there is for bringing France into a pact for tranquillizing Eastern Europe. The political trends underlying French participation clearly emerge from the special position assigned to France in the pact system. Quite apart from the fact that the pact system is made to look very lop-sided and artificial through this special position, it is quite clear that it represents none other than a Russo-French combination primarily directed against Germany. A French guarantee in favour of

⁹ See document No. 85, enclosures.

¹⁰ See vol. II of this Series, Berlin circular telegram of June 7, 1934.

¹¹ For Neurath's memorandum of June 13, 1934, on this conversation with Litvinov see vol. II of this Series.

¹² In English in the original. See also document No. 86, footnote 6.

Germany for the East is just an empty phrase. As is well known, Germany, at the preliminary negotiations for Locarno, declined to have German-Polish relations guaranteed by France. The French proposals at that time envisaged a guarantee for maintaining the German-Polish Arbitration Treaty.¹³ The new draft therefore signifies, politically, none other than an attempt to extend and strengthen France's position of hegemony in Europe, based on her military predominance and military alliances, including her new *entente* with Russia. Coupled with these French wishes is the Russian desire conjointly with France to hold Germany in an iron grip and at the same time obtain rear cover in anticipation of developments in the Far East.

III. The basic idea of Locarno is vitiated by the uncalled-for inclusion of the Russian guarantee. The Rhine Pact of Locarno is in itself a well-balanced system. Its functioning is made possible by the strict limitation of the basic obligation laid down in the Treaty (renunciation of war and attack between Germany on the one side and France and Belgium on the other side), as well as by the narrowly restricted group of guarantors, whose political attitude towards that basic obligation is clear from the outset. The two guarantors, Britain and Italy, as well as France, can be assumed to be impartially interested in the maintenance of peace on the Rhine; Russia, however, would react to a German-French conflict only from the standpoint of her own changing special interests, and in the foreseeable future would probably never decide in Germany's favour. The extension to Germany of the Russian Locarno guarantee, which is now being advocated by Britain, is therefore politically completely worthless to us. It is also incomprehensible that Britain in particular should feel able to declare herself in agreement with bringing Russia into the Locarno system. It should be clear to Britain that the practical application of Locarno could easily bring her into conflict with Russia. In any case, from our standpoint we could not agree to Russia's entry into the Rhine Pact of Locarno. That this entry requires the approval of all the Locarno Powers is self-evident.

IV. The experiences with international negotiations of the postwar period all furnished obvious proof that such a pact system, carrying an automatic obligation of military support, can never really function with justice and equity. Such a system is always liable to operate against the militarily weak, but never against the militarily strong party. The fact that it is unlikely to function equitably becomes all the more evident when certain militarily strong participating States are bound together by special arrangements between themselves. In

¹³ For the text of the German-Polish Arbitration Treaty, initialled at Locarno on Oct. 16, 1925, and signed in London on Dec. 1, 1925, see *League of Nations: Treaty Series*, vol. LIV, pp. 327-339.

order to realize that such a pact does not represent any real guarantee for peace, one need only consider the following:

Military support, according to the Regional Treaties, is to be given "immediately".¹⁴ This obviously means that it in no way depends on the results of the proposed consultations or on the decision of any other bodies (the League of Nations Council etc.). This is, of course, based on the well-known clause in the Rhine Pact of Locarno, under which, in flagrant cases, the obligation of Britain and Italy under the guarantee takes effect automatically. In the new pact system, however, this would lead to impossible consequences. In view of the completely different political interests of the Powers participating, one must reckon with the possibility that in concrete cases these Powers will by no means be of one mind as to who is the aggressor. The decision on this point would in practice be taken by France and Russia alone. The other States, although they would be quite unable to play an effective part in this decision, would be automatically compelled to share in the whole risk and stake their existence for foreign interests; if the other States did not fall in with this decision, hostile groups of Powers would form among the parties to the treaty, leading to a war of all against all. The problem is the same as that in Article 16¹⁵ of the League of Nations Covenant, the faulty drafting of which, indeed, is partly connected with precisely this point. The complications which might arise therefrom are, as already mentioned, all the more dangerous, in that some of the Powers participating in the new pact (France-Poland, France-Czechoslovakia) are already bound by treaties of alliance. Should it be wished to remove these difficulties by making the obligation to render assistance effective only with the agreement of all the signatory Powers not involved in the conflict (which is obviously not the intention), the whole pact would then, of course, be a vain attempt from the beginning. All the familiar arguments, which we have always brought against the idea that one cannot secure peace by preparing for war against war, apply here. This point of principle cannot be disputed by any invocation of the Rhine Pact of Locarno which, as already stated, is designed for the settlement of a special, precisely defined political situation. Such a pact would only function if it were to supply the international basis for cooperation between France and Russia against Germany.

V. Even if one takes a different view of the possibilities in principle of such a pact system, it must be admitted that it is impossible for a country like Germany to participate, since for Germany there are immense dangers, and also because there is no *quid pro quo*. Increased security is not guaranteed. The sort of security proposed, with French

¹⁴ In English in the original.

¹⁵ See document No. 86, footnote 4.

troops in the East and Russian troops on the Rhine, we reject as being as Utopian as it is dangerous. How can Germany, with her geographical position and with her military inferiority, bind herself to be drawn into all possible, unforeseeable conflicts between other States, although in no way concerned or interested herself? When Germany under the Locarno Pact, undertook the obligations of a member State of the League of Nations, in accordance with Article 16 of the Covenant, her geographical and military situation was expressly taken into account.¹⁶ Such a proviso is not envisaged in the Eastern Pact. For example, in the case of an attack by Russia on a Baltic State, or by Czechoslovakia on Poland, Germany would have to intervene, and, beyond that, she would be compelled to allow French troops to march through her territory. Germany would thereby make herself the actual theatre of war for all conceivable conflagrations in Europe. No one who takes such a pact seriously can expect that much from Germany.

Nor is complete equality of rights conceded in any way. After all the disarmament discussions it is impossible to expect us now to speak merely about the so-called security question without there being the least assurance of the disarmament question being solved. The assurance of which the British Government appear to be so proud is not only completely empty but even falls far short of the assurances previously given to Germany. Furthermore it confirms that the continuation of the disarmament negotiations will only come up again after the Russo-French pact ideas have been realized. In his speech at Bayonne,¹⁷ Barthou expressly declared that before the conclusion of the pact there could be no question of any disarmament conversations; later the conclusion of the Eastern Pact might create a new atmosphere which could permit its effects to be tested on disarmament. In view of this fact, it is incomprehensible how even Mussolini can believe that the achievement of complete equality of rights can be regarded as assured.¹⁸ Germany has been put off with such a vague promise of disarmament once before, namely in the Final Protocol of Locarno. The German Government will not have anything to do again with such a temporary settlement of the problems involved. We are being required to make a contribution in advance for which there is not the slightest justification, a demand which could not be met even if the pact proved to be in the interests of Germany.

In addition, our return to the League of Nations is taken absolutely for granted, without any mention of a reform of the League of Nations

¹⁶ For the text of the Draft Collective Note to Germany regarding Article 16, see League of Nations: *Treaty Series*, vol. LIV, pp. 299-301.

¹⁷ On July 15, 1934; see *Le Temps* of July 17, 1934. An extract from the speech is printed in *Documents on International Affairs 1934*, pp. 182-183.

¹⁸ See document No. 87.

or of a position of real equality for Germany within the League. As against this, Russia is now to join the League of Nations although hitherto she has rejected any such idea on grounds of principle. The Soviet Union would in no circumstances submit to arbitral decisions and legal judgements by the "bourgeois" world. For the Soviet Union to enter the League of Nations will mean joining the "bourgeois" world and submitting to its jurisdiction. That cannot be honourably meant. Russia obviously intends, together with France, to make use of the League of Nations for self-seeking purposes. This can only cheapen the League of Nations still further. The entry of Russia into the League of Nations would also mean that she could take a decisive part in all decisions about applying the sanctions procedure under Articles 10 and 16 of the Covenant. This can only increase our misgivings over the misuse of this procedure.

To summarize, it can only be said of the new drafts that they are in no way designed effectively to secure peace, but would only serve to veil, or to legalize, a grouping essentially directed against Germany. Russia desires a *rapprochement* and a military alliance with France. According to French reports to hand, Russia has recently made France no fewer than six offers of alliance. France obviously prefers the alliance with the Soviet Union to be established in the form of such a pact, rather than by a direct and isolated Russo-French military alliance. The threat of such a military alliance does not alarm us; we are not so easily assailable. Germany for her part will attack no one; as it is, in the West, Locarno and the Anglo-Italian guarantee protect us, whilst Poland, for reasons of self-preservation, will not allow the Russians to march into her territory for the purpose of attacking Germany. A Franco-Russian alliance might possibly be far more embarrassing for other countries than for Germany. The whole Eastern Pact system, which, along with the Balkan Pact, is to be further extended by means of a Mediterranean pact (which has not been communicated to us), aims at increasing and strengthening France's position of hegemony. France and Russia are to be arbiters in Europe and the pact system is to form the international foundation for joint cooperation against Germany.

In spite of this, in your conversations you should not speak of a German rejection as yet, but, in the manner suggested above, cause due weight to be given to the points of view which, partly on general grounds and partly because of Germany's special situation, militate against this plan.¹⁹

V. NEURATH

¹⁹ This document was forwarded to Lammers at the Reich Chancellery for submission to Hitler under a covering note by Neurath (7562/E542119). This is marked: "The Chancellor is informed. He wishes to have a copy of the enclosure for his personal use. [Lammers], Berchtesgaden, Aug. 14."

No. 93

4619/E197989-90

Memorandum by the Foreign Minister

BERLIN, July 17, 1934.

At a discussion with the Chancellor on the Russo-French pact plan,¹ it transpired that the Chancellor is in complete agreement with our conception and tactics. At first, therefore, lengthy study, possibly explanations with the object of rejection. Return to the League of Nations is out of the question as long as complete equality of rights has not been achieved.

The Chancellor shares the view that the pact must be constantly dealt with in the press.

v. N[EURATH]

¹ See also *British Documents*, Second Series, vol. vi, Nos. 512 and 515, in the second of which Phipps states that the discussion took place on July 16.

No. 94

4620/E200494-501

Ambassador Hoesch to State Secretary Bülow

LONDON, July 17, 1934.

DEAR BÜLOW: In replying today to your letter of July 9¹ regarding Belgian security problems, it is clear to me that the latest developments in this confused craze for making pacts have, to a certain extent, pushed the Belgian problem into the background, so that for the moment it is not, perhaps, entirely topical. I shall accordingly confine myself again today to general statements, but naturally I shall be at your disposal at all times for further exchanges of views.

In the first place, I should like to give you an interpretation of the conversation between Sir John Simon and Ribbentrop,² in which the problem of a German-Belgian non-aggression pact was first touched upon, an interpretation which does not quite correspond with yours, but which in my view is correct. Sir John Simon, to whom the whole conversation with Ribbentrop was not very welcome at the time, adopted towards Ribbentrop his favourite system for unwelcome visitors of cross-examination, of which he is a master and by which he aims at making his opponent uncertain and driving him into a corner. He therefore asked Ribbentrop in quite general terms whether

¹ Document No. 73.

² See vol. II of this Series, memorandum by Ribbentrop of May 10, 1934.

the Reich Government still stood by their willingness to conclude non-aggression pacts with all Germany's neighbours, as the Reich Chancellor had stated some time ago. He may, at this, suddenly have thought of Belgium and on that account mentioned as an example the idea of a German-Belgian non-aggression pact. That the mention of this was a planned move I do not believe, if only because at the time the British Ministers were anxious to keep the conversations with Ribbentrop as devoid of substance as possible, in order to be able to deny to the outside world, as being without foundation, any supposition that before the Geneva meeting Britain had again been in separate contact with Germany. Later, after he had categorically denied having hinted to Ribbentrop that he was prepared to support an adjournment of the disarmament question, Simon had to admit to me that in the conversation in question he did mention the idea of a German-Belgian non-aggression pact, but he was at pains to describe this mention as purely incidental. He had also endeavoured to conceal the British initiative from Belgium. When, moreover, you express in your letter the view that Simon had simply passed on to Ribbentrop the wishes expressed here by Hymans for additional security guarantees, this is in contradiction to the fact that Ribbentrop's visit to London ended on Saturday, May 12, while Hymans did not pay his visit here until May 16 and 17. As I have said, I do not believe that it was a matter of premeditation in the Simon-Ribbentrop conversation, but am rather of the opinion that only our positive reaction to the German-Belgian pact idea led Simon to consider how with German participation the increased Belgian need for security might perhaps be met.

The line of reasoning followed by the British on this matter proceeded from ideas similar to those in your letter. The Foreign Office was, and is, very much in doubt as to whether a German-Belgian non-aggression pact would add anything essential to the provisions of Locarno. Besides, Simon knows from his conversations with Belgian statesmen that they are very coldly disposed towards a German-Belgian non-aggression *tête-à-tête* because such a singling out of Belgium with Germany from the circle of the other seekers for security is repugnant to them and because they also fear an unfavourable attitude on the part of Belgian public opinion towards such singling out. On these grounds Simon hit upon the idea, of which you know from my reports,³ of combining the conclusion of a German-Belgian non-aggression pact with a British declaration in favour of the integrity of Belgium and thereby creating a sort of German-British accord in the granting of additional security to Belgium, the basis of which we had, of course, to reject.

³ Documents Nos. 47 and 71.

As you also know from my reports, Simon promised me that he would not make a declaration which would upset the equilibrium of Locarno one-sidedly in favour of Belgium, or that at any rate before making such a decision he would communicate with us again. Simon did, however, mention the Belgian problem in the House of Commons debate on July 13⁴ on the results of the Barthou visit, obviously feeling that Belgium, for whom he had really wished to secure special advantages in the field of security, appeared in this debate to be, so to speak, the only State seeking security which was condemned to remain unconsidered. I have already reported on Simon's relevant remarks⁵ but would like, for the sake of clarity and so that you have in this letter all the material to hand, to quote the following passage from the official parliamentary report; it reads as follows:

"I was going to make an observation about Belgium. As I understand it, the proposal is one in which France and Germany would be reciprocally interested in the Russian guarantee, and that, of course, operates indirectly to the advantage of the immediate neighbour of both. But I would rather use the occasion to point out how Belgium itself is an illustration of the enormous advantages of this new method of reciprocal engagements as compared with the old method of selective alliances. I conceive the difference very much as though one were to say that in the post-war architecture of the world, the wise architect is the man who is trying to construct a building in which there will indeed be stresses and strains between its various parts, but in which the combination of the various parts takes up the stresses and strains of the whole and keeps it, therefore, safe and secure.

The whole conception of this collective system in the post-war world is the conception that mankind will be best sheltered and most secure if we live in a building which, by means of a suitable combination of the parts, will cancel out strains and dangers because every part is making a suitable contribution to protect the whole. Of course, the integrity of the territory, Belgium, is no less vital to the interests and safety of this country today than it has been in times past. It is a geographical fact which nothing can change. Indeed, changed conditions, especially in connexion with the air, have not altered that historic fact at all; they have only served to emphasize it. That is the point of view of our own national security. But here again it is the mutual character of the original agreement signed at Locarno, dealing among other things with the frontier between Belgium and Germany, which constitutes its essential feature and makes it so valuable a guarantee of European security as a whole. His Majesty's Government cannot but think—I hope the House and the country will agree—

⁴ See *Parl. Deb., H. of C.*, vol. 292, cols. 693–705.

⁵ In telegram No. 214 of June 13 (6695/H100285–92).

that an extension of this system of assurances, so long as they are mutual in expression and reciprocal in intention, should make for the strengthening of the foundations of peace and the restoration of confidence in Europe.”⁶

It cannot be said that by these remarks Simon has deviated from the path of his duty towards us. In Belgium these statements have, however, met with a very lively response and have been acknowledged with thanks as fresh confirmation of the reliability of the British guarantor. Simon will therefore believe that he has done his share, at least in a modest measure, in helping to increase the Belgian feeling of security, and I am not clear at the moment whether he regards this chapter as temporarily closed, or whether he is still pondering over the problem of how, by cooperation between Germany and Britain, Belgium could be further reassured.

All such ideas of cooperative reassurance which, as has been mentioned, are not at all unwelcome here, will, nevertheless, always run into difficulties when it becomes clear that they contain the idea of a separation of Belgium from France and with this the danger of a French veto. The guiding British principle will, moreover, continue to be that no fresh commitments may be created for Britain, but only that, at the most, the already existing obligations might be strengthened. In this way one always comes back, as far as Britain is concerned, to Locarno, and there is little to be done about it, as any strengthening of Locarno in favour of Belgium would be bound to upset the equilibrium to our disadvantage, nor could it be interpreted as providing a flankguard against France. Theoretically one could imagine, for example, that Britain would be made a guarantor of a German-Belgian non-aggression pact. Quite apart, however, from the fact that the British Government would hardly regard as tolerable even such an, in fact only formal, new obligation, it could be taken for granted that France would soon demand for herself a similar arrangement. I should think, therefore, that it will be very difficult to get past the two reefs “no new commitments”⁶ and “no digression [*Extratour*] prejudicial to France”.

This is enough for today as I do not know whether the problem still appears topical to you.

With best wishes, I am, my dear Bülow,

As always,

Truly yours,

HOESCH

⁶ In English in the original.

No. 95

6695/H100611-13

The State Secretary to the Embassy in France

Telegram

No. 379

BERLIN, July 18, 1934—7:25 p.m.
e.o. IV Ru. 4083.

For the Ambassador, with reference to your enquiry by telephone.¹

Our view is that there is no authentic text of the Eastern Pact, as the British reservations, said to be accepted by Barthou, had not been incorporated into the draft sent to us.² We expect, therefore, that France or Russia will shortly communicate the revised draft to us. We also expect to be informed whether and what further regional pacts (Mediterranean pact!) are planned, and would like to know if these will be formulated in the same way as the Eastern Pact (guarantee!). Finally, it would be useful if Barthou would explain the contradiction between his speech at Bayonne³ and the British and Italian statements about equality of rights and disarmament.

For your personal information only:

1. We shall neither return to the League of Nations nor conclude any convention whatever as long as our claim to equality of rights is not satisfied.

2. The Foreign Minister will state our views on the Eastern Pact in a speech or interview, probably next week.⁴

3. Despite our fundamentally sceptical attitude, we wish to continue the exchange of ideas on the pact problem in the press, and possibly in diplomatic conversations; in no case should these be broken off at present.

BÜLOW

¹ No record has been found.

² See document No. 85.

³ See document No. 92, footnote 17.

⁴ No such speech was made.

No. 96

8826/E614367

The Foreign Minister to the President of the Reichsbank

BERLIN, July 18, 1934.

Sent July 19.

e.o. IV Po. 5186.

By virtue of the decision of the Reich Chancellor, of which you were

informed at yesterday's discussion,¹ the sum of RM 500,000 (in words: five hundred thousand Reichsmark) is to be transferred monthly to Danzig. I venture to request you to issue the necessary instructions so that this amount will be available in foreign currency in Danzig on August 1.

FREIHERR V. NEURATH

¹ No record of this discussion has been found. In Danzig telegram No. 26 of July 7 (8826/E614370), Radowitz reported that Rauschning had requested an interview with Hitler, at which the Foreign and Finance Ministers should also be present, in order to discuss Danzig's critical economic situation. In telegram No. 20 of July 9 (8826/E614369), the Consulate General in Danzig was instructed to inform Rauschning that the interview had been fixed for July 11 at noon and that Gauleiter Forster had been notified direct by the Reich Chancellery.

No. 97

8211/E583318-23

*Secretary General Léger to Ambassador Köster*¹

PARIS, July 18, 1934.

MY DEAR AMBASSADOR: While waiting to furnish you by telephone with the information which I am having assembled with all speed, I enclose the precise terms in which the assurances given by Herr von Neurath have been reported to us, assurances which, by expressing the confidence felt in the French Government's correctness and in the personal loyalty of their diplomatic representative, relieved us of the necessity of giving any explanation.

It is in these assurances that we in turn have expressed confidence.

Yours etc.,

ALEXIS LÉGER

[Enclosure]

In the interview which he had on July 4² with Herr von Neurath, the French Ambassador, referring to reports alleging that France had supplied arms to the SA, asked that the Reich Government should provide proofs, if they held them, of such supplies.

Herr von Neurath formally denied the accuracy of these reports, which he said were an "absurd fable". It was true that Röhm was secretly arming his troops and it was the shipment of these arms which had put the authorities on the track of the conspiracy. But, said the Foreign Minister, the arms did not come from France; they came, he said, from quite another country—which Herr von Neurath did not name.

M. François-Poncet then asked whether Herr von Neurath could assure him that no reference was intended either to the French Govern-

¹ This document and its enclosure are in French in the original.

² See document No. 64.

ment or to their Ambassador in Germany in the communiqués which the Reich Government had published about the events of June 30.³

Herr von Neurath objected that if he were to make the reply requested of him, he would then be questioned by all the diplomatic representatives accredited to Berlin; by a process of elimination details would finally be obtained which at present it was better not to give. However, Herr von Neurath insisted on assuring M. François-Poncet that the French Embassy had at no time been suspected by the German authorities; if the case had been otherwise, he said, the Foreign Minister would immediately have informed M. François-Poncet.

³ See document No. 64, footnote 4.

No. 98

9296/H255872-73

Memorandum by the State Secretary

TOP SECRET

BERLIN, July 19, 1934.

Colonel von Geyr came to see me again today in order to continue our conversation of July 16.¹ In the meantime he has reported to the Reichswehr Ministry and the Reich Air Ministry on the difficulties which have arisen.

He found, after making his report, that the Chief of the Army Command² and General von Reichenau³ appreciated the dangers which might arise from German rearmament in the air. The argument that, in a time of such great economic stress, we should not invite British hostility, made a particularly marked impression. At the Reich Air Ministry, Colonel von Geyr saw State Secretary Milch⁴ and gained the impression that the Air Ministry was prepared to conclude a convention, which would really be observed, if such a convention included the possession of a sufficient number of bombers. Herr von Geyr could not tell me how the Air Ministry regarded the fact that the Chancellor had always declared that he was not demanding bombers for Germany, but only fighters and reconnaissance aircraft.

Colonel von Geyr and I thought it was probably already too late to conclude an air convention to reassure the British. For my part I further pointed out that a bilateral air convention would be out of the question for the British. Such a convention had apparently been in the mind of State Secretary Milch. I further recalled that on Monday I had put forward reasons why a convention on air armaments alone would be out of the question for us.

¹ See document No. 90.

² Gen. Freiherr von Fritsch.

³ Gen. Walter von Reichenau, Chief of the Wehrmachtamt.

⁴ State Secretary of the Air Ministry.

Colonel von Geyr believes that only joint representations to the Chancellor by the Foreign Minister and the Reichswehr Minister could clear up the situation. He will hold himself at the disposal of the Foreign Minister tomorrow, Friday, and will then return to London.

BÜLOW

No. 99

4620/E200507-13

Ambassador Hoesch to State Secretary Bülow

LONDON, July 19, 1934.

DEAR BÜLOW: I hasten to reply at once to your letter of July 17 about your conversation with Baron Geyr.¹

From my reports, you will be aware of how things have developed in Britain during the latest phase, which I date from Simon's speech on disarmament at the May meeting of the Disarmament Conference.² You know that this speech of Simon's met with only lukewarm support from public opinion in Britain, and that Britain felt very uncomfortable in the rôle of champion of German rearmament in opposition to France. You also know my views on the development of the situation from my two telegrams concerning my private conversation with MacDonald,³ and from my assessment of the visits paid by General Weygand to England⁴ and Lord Hailsham to France,⁵ and from my other reports on conversations with British statesmen on the state of opinion here. There is nothing for me to alter in the views I have already expressed; they still accord with my judgement of the facts. To my reports on the latest development of opinion, I would add renewed emphasis to the fact that the purges carried out in Germany have had adverse repercussions on the general attitude of public opinion concerning Germany. As I have already emphasized in one of my telegrams,⁶ these people, accustomed to peaceful developments, cannot possibly understand the revolutionary, and, on occasion, violent, happenings in Germany. The reputation of the German Government has therefore suffered enormously under the impact of the events in question and, this being so, it is no exaggeration to say that Germany

¹ See document No. 90, footnote 4.

² On May 30, 1934. See *Minutes of the General Commission*, vol. III, pp. 661-665.

³ See document No. 28. The second telegram was No. 175 of June 23 (1506/371294-98). In it Hoesch discussed the situation created by the announcement that MacDonald would take a three months' holiday. In his opinion MacDonald's bitterness towards Germany was due to the fact that he considered she had destroyed the last hope of concluding a disarmament convention, and to Germany's stopping her debt payments.

⁴ See document No. 47 and footnote 2 thereto.

⁵ See document No. 47.

⁶ See document No. 72.

at present is being widely regarded in the same light as is Soviet Russia in times of Anglo-Russian tension.

All these factors, as they emerge from my reports, contribute to the general direction of British policy, as likewise reported by me.

It is within this overall picture that the statements which Baron Geyr, with my express permission, has made to you and other Reich departments, are to be understood. "There is no doubt that the question of German air armaments plays a very important part in the attitude of the British Government to the problem of security in general and the security of Britain in particular. As you will remember, on my last two visits to Berlin, I described honesty in German policy in the matter of disarmament as the chief requirement for success. I then pointed out that our familiar document of April 16,⁷ in connexion with the latest British disarmament proposal of January 29,⁸ had been represented by us as the full statement of our claims, and that it was, therefore, in Germany's vital interests, in all German measures taken in the sphere of armaments, to abide by these two documents in the form in which they were accepted by us. In the document of April 16, it is clearly stated that we temporarily relinquish the building of bombers. But now we are building, not, it is true, bombers, but certainly large commercial aircraft in great numbers, the use of which for traffic outside Germany has not been recognized, and which one can see are disguised bombers. Moreover, people here are well informed about the whole development of German aviation and the expansion of the air arm. They are following with the greatest attention the training of young people in air sports and their organization into flying associations, and from all this information they have certainly become convinced that Germany is engaged in building an air arm which far exceeds the limits laid down in the document of April 16, and which is well on the way to being a danger even to the strongest opponent in the air.

Baron Geyr was quite right when he told you that Baldwin would announce in the House of Commons, probably today, that the plan for air rearmament was based mainly on the desire to arm against a German threat in the air that might possibly come into being,⁹ and that the talk about Britain's need to create on the continent a sort of advanced line of defence against air attacks is also connected with the widespread conviction that Britain might at some time be exposed to a sudden German attack from the air. From these facts it is also understandable that the well-known article by Wickham Steed, published in the *Nineteenth Century Review*,¹⁰ on alleged preliminary

⁷ See document No. 4, footnote 8.

⁸ See document No. 4, footnote 4.

⁹ For Baldwin's statement see *Parl. Deb., H. of C.*, vol. 292, cols. 1273-1275.

¹⁰ See document No. 52, footnote 3.

studies by Germany for an air attack on London, has made such a deep impression here; General Weygand, who is said to have given Wickham Steed the material for his article, would certainly have known and felt that, by such a revelation, he would strike British public opinion at its most vulnerable point. On the two afore-mentioned occasions when I was in Berlin in the spring, I told Reich Minister Göring as well as Reichswehr Minister von Blomberg of my grave fears lest precisely where the building of aircraft suitable for bombing was concerned, decisions had been carried out which could not be reconciled with our document of April 16, while I repeatedly pointed out that our policy on disarmament stood or fell by its honesty, and that general confidence in the assurances given by the Reich Chancellor was an asset which must not be diminished. With this in mind I also arranged with Baron Geyr, who is acting as Air Attaché here, that he should use the opportunity of being called to Berlin to make a special report, and should point out in all seriousness the dangers that would be involved, where the development of British policy was concerned, by proceedings in the sphere of German air armament which did not strictly conform to those claims which we ourselves had publicly submitted in writing as our final desideratum. I do not believe in the possibility of partial agreements with Britain, no matter in what way we may attempt to reach them. It appears to me, rather, that the only feasible way is that we should keep strictly¹¹ to the frequently mentioned document of April 16, and proceed with the air programme contained therein as quietly as possible and without obvious precipitation, so that, if necessary, we can, with a clear conscience, give apprehensive British persons confidential information that Germany does not deny that, in view of the continued absence of a disarmament convention, she is making certain preparations in the air, but that these preparations are being kept strictly within the framework of what we, on April 16, formally announced as being our claim.

You will see from this, my dear Bülow, that the air question is of particularly great importance in the development of the whole of our relations with Britain. At the same time, however, you will gather from my foregoing remarks that the importance of the air question, as put forward by Baron Geyr, is of course to be understood only as one prominent element within the whole range of the development of affairs here.

With best wishes, I am, my dear Bülow,

Yours etc.,

Hoesch

¹¹ Marginal note in Neurath's handwriting: "How strictly?".

No. 100

8031/E577813-16; E577817-19¹*Ambassador Hassell to Ministerialdirektor Köpke*

ROME, July 19, 1934.

II It. 1089.

DEAR KÖPKE: Many thanks for your kind letter of July 16² regarding the Venice negotiations on Austria. It is, indeed, quite clear that the five points listed do not represent an agreement between the two Heads of Government. If, on the other hand, it is thought in the Foreign Ministry that the Italians have not simply taken note of these five points as being a summary of the German attitude, this is, I believe, correct in so far as 1) Mussolini to some extent, took note of the five points in case the situation should develop in such a way that it might be possible to arrange for conversations between Berlin and Rome and Vienna on a settlement; and 2) it was agreed that the divergence of opinion on the Austrian question should not impede or prejudice congenial German-Italian cooperation in other spheres of politics. I saw in this point one of the main results of Venice. It is, of course, idle now to close one's eyes to the fact that the events of June 30 cast what I would call a shadow over the days at Venice. Admittedly it has not been possible to poison public opinion and the opinion of official circles in Italy to the same degree as elsewhere (see, for example, London telegram No. 210—II Abr. 1918 of July 12),³ that is to say to turn them strongly against the action of the German Government on June 30 and to create doubts regarding the continuance of the régime; nevertheless the effect here was "disconcerting". As far as the Austrian question was concerned, it was first of all thought here that those who favoured a fight with all available means, and supported by the Reich, against the Dollfuss Government had been frustrated by the events of June 30. This idea has, however, in the meantime been dropped. A very deep impression was, naturally, made by Frauenfeld who, it is unanimously alleged, launched bitter attacks on Dollfuss from a number of German radio stations and asserted that he (Dollfuss) was also involved in the plot and therefore deserved to be treated in the same way as Röhm.⁴ Naturally, this attack, officially tolerated and encouraged, on the Head of the Government of a neighbour State who was after all still in office, had broken all the bridges down again. Anyway, I would be most

¹ The original document is badly damaged. A transcript has been filmed on the second set of frame numbers given.

² Document No. 89.

³ See document No. 84 and footnote 2 thereto.

⁴ Marginal note in Bülow's handwriting: "Is that correct?"

interested to hear whether this account of Frauenfeld's speech is correct and, if possible, also whether his allegation can be substantiated; if so, this would certainly give the matter quite a different complexion.

As to the question itself, I should like to revert to the Reich Chancellor's remark, which you passed on in strict confidence, that he is in no hurry about the Austrian question. This attitude, although for entirely different reasons, is the same as that of Mussolini, who has always expressed the opinion to me that the matter should be shelved for the time being, tempers should be allowed to cool off, acts of terrorism should be stopped, and then attempts could be made to settle the matter. Whether at a later date we would wish to negotiate with someone else in the place of Herr Dollfuss, is, after all, another question which can be left in abeyance for the moment. Nevertheless, nothing should be done by the Germans to make the Austrians absolutely rabid in the matter of Dollfuss, that is to say, to make it a point of honour for them not to abandon Dollfuss. The German press would also be wise as much as possible to refrain from mentioning Herr Rintelen⁵ and not to seize every opportunity⁶ of naming him as successor presumptive. It would, of course, be a different matter altogether if it could be proved that he [? Dollfuss] and his associates were involved in the plot of June 30.

Taking everything into consideration, I think that as matters have gone recently, nothing of importance is to be expected from Riccione⁷ in support of our point of view.

With kindest regards, also from my wife,

Yours etc.,

HASELL

⁵ Anton Rintelen, Austrian Minister in Rome since November 1933.

⁶ Marginal note in Köpke's handwriting: "That is surely somewhat exaggerated."

⁷ A meeting between Dollfuss and Mussolini was due to take place at Riccione at the end of July 1934. See documents No. 56, footnote 1, and No. 62.

No. 101

6695/H100595-603

The Ambassador in France to the Foreign Ministry

Telegram

No. 972 of July 19

PARIS, July 20, 1934.

Received July 20—2:55 a.m.

IV Ru. 4079.

In a conversation with Barthou today, I informed him that we were prepared to give the pact careful study if an authentic draft were communicated to us by France or Russia. Up to the present the British Ambassador had only handed the German Government a few drafts of pacts in which the British and French ideas had not yet been amalga-

mated.¹ So far drafts of pacts had come to us only from a Power which had expressly declined to become a party to the pact to be concluded. I hardly needed to point out that this kind of procedure had astonished us. It would certainly have been more logical to have worked out the drafts with the Governments which were to become parties to the pact.²

Barthou then gave me the following description of his London visit.³ He had to say first of all that he had already started an exchange of views with the Russians a few months ago which had, indeed, achieved positive results.⁴ Moreover he had fully informed Eden of the outcome of these conversations while the latter was in Geneva. Thereupon he had received a letter from MacDonald, couched in very friendly terms, in which he informed him that he was very interested in his proposals and that he would be glad to discuss the problem with him fully during his visit to London. When he met Simon in London, Simon's first question was as to how the Eastern Pact stood. Simon had spontaneously declared that he greatly desired the entry of Russia into the League of Nations and that therefore the French proposals were of double interest to him. Barthou had thereupon unfolded his ideas on the Eastern Pact and explained to the British the advantages of this project, which would undoubtedly contribute to the consolidation of peace in Europe. He had, above all, argued that if France were prepared to conclude with adjacent Germany, and Germany with adjacent Russia, a non-aggression pact and a mutual assistance pact, then a disturbance of the peace of Europe would hardly be possible again.

I interjected that Russia was not adjacent to Germany, but was separated by [several] States, so that from a purely geographical aspect the situation on both sides of Germany was not the same.

Barthou agreed that this was so. He said that the British had not immediately replied to his arguments. Instead, Simon had asked him two questions: Firstly, whether France would bind herself to come to the immediate aid of Germany if Russia were to attack Germany. Such a treaty would only be of value if reciprocity were unconditionally guaranteed. Barthou had replied by affirming this question unreservedly.

Simon had then asked him whether France would be prepared to satisfy the German claim for equality of rights. To this he had replied: "No", adding that he could not agree to negotiations on the Eastern Pact being conducted parallel with negotiations for the recognition of equality of rights. France could only go into this

¹ See document No. 85.

² Marginal note in Meyer's handwriting: "Conference?".

³ See document No. 84.

⁴ Marginal note in Meyer's handwriting: "Who is the initiator?".

question when the security she desired had been attained. Moreover, he said—and he asked to be allowed to speak to me quite frankly—he had given as a further reason for his attitude in this matter that present conditions in Germany were too uncertain for entering into any undertakings with us regarding disarmament.

The British had concurred with this argument.

We then compared the text of Simon's speech on the question of disarmament as given in *The Times* of July 14,⁵ with the text of Barthou's Bayonne speech, as given in *Le Temps* of July 17,⁶ and Barthou confirmed that Simon's statements did not give a clear idea of the course of the discussions. They had further also discussed air questions and a naval conference, and had then parted. In the afternoon, Simon had told him that the British Government would themselves adopt the French ideas on the Eastern Pact, and that they considered it would be advantageous to support proposals for concluding a pact in Italy, Warsaw and Berlin. To my remark that I did not grasp the logic of this British initiative, Barthou shrugged his shoulders and said that that was a matter for the British. In any case he could congratulate himself over it. A report on the reasons for the British *volte-face* may follow later. I have information on this point, which, however, I should like to check.⁷

Furthermore, the [Foreign] Minister told me in the course of the conversation that, in the British counter proposals which France had accepted, paragraph 3 had merely read: "Such as would provide a reasonable application of the principle of German equality of rights".⁸

This wording had not satisfied him and he had asked that "in a régime of security for all nations" should be added, to which the British had at once agreed.

In reply to my remark that the German Government would be interested to know whether there were plans for further regional pacts, such as a Mediterranean pact, Barthou said that for the time being there were no concrete plans. He had only put forward to the British the idea that, in conjunction with the Eastern Pact, a Mediterranean pact might be considered which might further reinforce the plans for the consolidation of peace in Europe, which arose from the Eastern Pact, by extending them in a southerly direction. On my asking whether he had already raised this idea with the Italians, he replied in the negative. This problem had not been seriously discussed with any Government whatever.

⁵ See document No. 87, footnote 2.

⁶ See document No. 92, footnote 17.

⁷ In telegram No. 984 of July 21 (6695/H100668-71), Köster reported that a member of the French delegation to London had stated that the two reasons for the British Government falling into line with the French proposals were the reaction to the events of June 30 and the fear of German rearmament in the air.

⁸ Quoted in English in the original.

Continuing, Barthou said he could again solemnly declare that this idea of a pact had originated solely from the desire to bring about the complete pacification of Europe. The essential condition for all these plans to consolidate peace was, of course, Germany's return to Geneva.

I told Barthou that Germany's return to the League of Nations could not be considered as long as we had not received equal rights. What he had told me about the conversations with the British clearly showed that the question of security, equality of rights and equality of armaments had not been seriously discussed at all. This was bound to cause great disappointment. He obviously intended to link up conversations on these questions, which were of vital importance for Germany, with other fresh systems of pacts which we could not accept. In the final protocol of the Locarno Treaty the Signatory Powers had expressly undertaken to cooperate faithfully in the question of disarmament, and to work for the realization of a general understanding. These undertakings had not yet been fulfilled. It was therefore more than understandable that we were not prepared to meet with further disappointment in this respect. We desired, above all, the disarmament of all nations; should this not be achieved, then we claimed corresponding equalization. Moreover, on this point his proposals were not quite logical. He wanted to conclude a pact which would bind the contracting parties to come to the immediate assistance of one another. The fulfilment of such an obligation was based on the assumption that one was, after all, in a position to be able to render assistance. The arming of our numerically exceptionally small army was purely for defence. But the rendering of assistance would be an act of aggression for which the first essential was that one should have at one's disposal the necessary offensive weapons.⁹ In the event of a conflict between Russia and Poland, Germany, according to the proposed pact, would have to go to Poland's aid.⁹ Russia would doubtless conquer Poland, and Germany, without offensive weapons, would not be in a position to prevent a Polish defeat.⁹ A further consequence would be that, even if France were to give immediate aid, Germany would be the battlefield in the final struggle. This simple example showed that, in view of the pact obligations, and also as concerns offensive weapons, it would be illogical for negotiations on the question of equality of rights for Germany to take place only after the conclusion of the Eastern Pact. Such [equality] would not be a consequence but a pre-condition.

As to the Locarno Treaty, the German Government regarded that treaty as the only real instrument for securing peace in Western Europe. The insertion of a Russian guarantee would, in our view, reduce the value of this instrument. A French guarantee in the East would be

⁹ Marginal note in Meyer's handwriting: "9".

absolutely useless for Germany; to discuss a Russian guarantee for the Rhine Pact would be out of the question for us.¹⁰ Furthermore he was presumably well aware that the admission of a new State into the Locarno system needed the approval of all the Signatory Powers. We would certainly not give this approval. Barthou asked me whether I made this statement on instructions from my Government, which I confirmed.¹¹

Continuing, I said that on studying the problem I had come across questions in the answers of which my Government would probably be interested. He, Barthou, would most probably agree with me that the first essential for the conclusion of such a pact system was mutual faith in the loyalty of all States party to it as concerns respect for international agreements. Governments, therefore, which had already given practical proof that they were not prepared to respect international treaties could hardly be regarded as treaty Powers. Here, I had Lithuania in mind. That country had signed the Memel Statute¹² with France, Great Britain, Italy and Japan, but had not the slightest intention of respecting its obligations towards inhabitants of the Memel Territory, rather it trampled them underfoot. Whilst he was away I had presented a Note,¹³ the study of which would convince him that Lithuania did not care a straw for the obligations she had undertaken *vis-à-vis* the Signatory Powers, and ridiculed them. France had already had a foretaste of the mentality of the Lithuanians when, in the year 1923, they simply arrested the families of French occupation detachments and finally, more or less politely, turned them out. How could he expect anyone to believe that such a State would be loyal to international agreements?

Barthou replied that he had been informed of the receipt of our Note, but he had not yet had time to study it, which he would now do.

I went on to say that I would like to tell him about a second problem which would likewise give him food for thought:

The Times of July 9, 1934, reported that the Executive Committee of the Comintern had published a programme for the "Emancipation of the German working classes", which clearly expressed the intention of overthrowing the German Government and bolshevizing Germany. The [Foreign] Minister would be sure to reply to this that the Comintern was not the Russian Government. The reply to that would be, however, that the present Russian Government was in practice nothing but an embodiment of principles laid down by the Comintern. In addition, as *The Times* correspondent remarked, the fact that the Russian censor had passed the programme was proof that the Russian

¹⁰ Marginal note in Meyer's handwriting: "Why say that already now?"

¹¹ Marginal note in Meyer's handwriting: "Why?"

¹² See Editors' Note, p. 137.

¹³ See documents No. 67, and footnote 2 thereto, and No. 75.

Government approved these ideas. From this programme, Germany could form a picture of the way the Russian Government were thinking, which was not altogether an encouragement to enter into relations with such a State, relations which might eventually even oblige us to fight shoulder to shoulder.

I concluded the conversation by repeating that we were prepared carefully to study authentic proposals communicated to us by France or Russia. The [Foreign] Minister would see from my remarks, however, that the pact proposals required that a number of preliminary questions be very carefully considered. Barthou asked whether my statement might be understood as an invitation by the German Government for a draft to be communicated to them. I answered that I left that to his judgement.¹⁴

It struck me during the conversation that the Foreign Minister, in contrast to his usual habit and temperament, was much less aggressive and did not show the usual enthusiasm for his ideas. I attributed this attitude to the fact that his ideas do not appear to excite too much enthusiasm even in France. I lunched today with two very influential Senators (members of the Army Commission) and a member of the Chamber Committee for Foreign Affairs. When I brought the conversation around to the Barthou pact proposals, they waved them aside, making it plain that the project is not taken very seriously. I would draw attention to the *Action Française* of July 13, according to which radical right-wing circles reject the idea of a joint German-French military action as absurd.

If you see no objections, I shall take the opportunity during a fresh conversation of giving it as my personal opinion that, when concluding the pact, the use of coloured troops in *casus foederis* will have to be excluded. If Germany has to make her own sons available for such an undertaking, then France will have the same obligation. Apart from this, it would be simply unthinkable for German soldiers to fight shoulder to shoulder with coloured French soldiers, after the French Government had tried to humiliate us especially by the use of black troops at the time of the occupation of the Ruhr. The French Government, in any case, would hardly be able to obtain public approval for entering into an engagement of that sort.¹⁵

KÖSTER¹⁶

¹⁴ Marginal note in Tippelskirch's handwriting: "Why?"

¹⁵ By telegram No. 384 of July 21 (6695/H100731) Köster was instructed not to raise the question of coloured troops in connexion with the Eastern Pact. See also document No. 113.

¹⁶ Marginal note at the head of the document in Tippelskirch's handwriting: "Rome has been informed in a private letter from the State Secretary to Hassell." This was a letter of July 23 (6695/H100722-27) which informed Hassell of the existing situation.

No. 102

6695/H100628-36

The Ambassador in Great Britain to the Foreign Ministry

A. 2554

LONDON, July 20, 1934.

Received July 21.

IV Ru. 4093.

Subject: Conversation with Sir John Simon and Eden on the question of the Eastern Pact.

With reference to your instructions IV Ru. 3375 of July 17.¹

I had a conversation yesterday of over an hour with Sir John Simon and Eden, whom Simon brought into our talk, on the German Government's general attitude to the proposed Eastern Pact. I made full use of the arguments in the instructions under reference and, I believe, with good effect.

I began by observing that I had not brought an answer as to what the German Government had decided about the problem of the Eastern Pact, for the simple reason that the proposals for a pact had not yet been officially communicated to them and that they had therefore seen no occasion to come to any conclusions about the project. I referred to information, which I had communicated confidentially at the time,² that François-Poncet had informed us of a Russian *démarche*, and about Litvinov confining himself only to general observations on the occasion of his visit to the Reich Foreign Minister;³ I added that the recent *démarche* by the British Ambassador in Berlin⁴ commending the pact proposals on behalf of the British Government, who themselves were not participating in them, could hardly be regarded as an official communication of the pact proposals. We lacked therefore, apart from any formal communication of the proposed pact to Berlin, the knowledge as to what quarters a possible reply should be addressed.

I continued by expressing our astonishment that the British Government should both state that they were themselves determined not to become parties to the pact and at the same time consider it right to advise Germany so strongly to join it, although Sir John Simon was fully aware from my frequent representations that the German Government were opposed to the terms of the pact being exclusively applied to Eastern Europe, and to Britain and Italy not being parties to it.

I then pulled the pact project thoroughly to pieces under four aspects, namely: first with regard to its effects in the West; then with

¹ Document No. 92.

² See vol. II of this Series, telegram No. 155 from London, sent June 13, 1934.

³ For Neurath's memorandum of June 13, 1934, see vol. II of this Series.

⁴ See document No. 85.

regard to its consequences in the East; further, concerning its connexion with the problem of equality of rights in the sphere of armaments; and finally with regard to its significance for the development of the general political situation in Europe.

I expressed my surprise that Britain should find it possible to agree to being brought into the Locarno system, and I asked what Sir Austen Chamberlain⁵ and M. Briand⁶ would have said, if, in 1925, we on our side had proposed making Russia a guarantor of Locarno. If we were to ask what had brought about the changed attitude of the Western World towards Russia, there would be only one answer: Russia had now become acceptable to Western society [*gesellschaftsfähig*] to the extent that she had departed from her original pro-German attitude and become anti-German. Russia, who had been treated with contempt as long as she was pro-German, on becoming anti-German was being flattered and held up as contributing to safeguarding peace. To change Locarno by introducing Russia, no matter how this might be done, would not be acceptable to us in any circumstances.

Turning to the situation in the East, I likewise developed in detail the pertinent arguments set out in the instructions under reference, laying the main emphasis on the absurdity of expecting us to join a pact in company with Powers of whom some were already bound by political and military alliances amongst themselves. I pointed out the very obvious impossibility of Germany being able to rely on fair decisions in any definition of the aggressor, in view of the Franco-Russian supremacy.

I then underlined the truly grotesque confusion of the French conceptions, as had been clearly shown in Barthou's recent speech at Bayonne,⁷ namely that Germany would immediately undertake all obligations to render aid under the pact, without receiving even the slightest assurance that her equality of rights in the sphere of armaments would then be effectively recognized.

Finally I showed that the pact project taken as a whole was nothing but a Franco-Russian alliance in disguise, the result of which would be that France and Russia would be entitled to extend their control over Europe both to the East and to the West, so that with Germany rendered innocuous, they could thus dominate the continent of Europe. After France had hesitated for a long time in making up her mind about Russia's six times renewed offer of an alliance, she had thought that it would be more useful if, before concluding a formal Franco-Russian treaty of alliance, she were to make one more attempt to

⁵ British Foreign Secretary 1924-1929.

⁶ French Foreign Minister Apr. 17, 1925-July 19, 1926, and July 23, 1926-Jan. 14, 1932.

⁷ See document No. 92, footnote 17.

achieve the alliance in a disguised form, giving it the false outward appearance of a move to safeguard peace and obtaining Britain's approval for it. I could not understand how the British Government could lend themselves to this game.

Sir John Simon appeared rather cornered by my arguments. He first said that the British Government, in their conversations with Barthou, had, by establishing parity for Germany in the obligation to render aid, given the original French plan a completely different aspect, and that they had only become interested in the pact plan after Barthou had been brought around to this point of view. The British Government had decided to support the pact proposals in view of the threatened alternative of a formal Franco-Russian alliance, which Britain wished to avoid in all circumstances as being the decisive step towards relapsing into the system of pre-war alliances. Finally, the British Government were also influenced in their decisions by the prospect that, if the Eastern Pact were to come into being, the disarmament question might again be brought up with some chance of success. As will be seen from my previous reports, I am convinced that it was indeed these three considerations that suddenly changed Britain's originally cool attitude towards Barthou's pact projects into one of approval and support.

Sir John Simon then said that he must admit that the question of the definition of the aggressor in the Eastern Pact needed to be more clearly defined, and that it was not sufficient simply to state that the obligation to render aid would come into immediate operation in the event of a conflict; indeed, the whole pact project required, in many respects, clarification, definition or even amendments which Germany could bring up at any time. It was, of course, easy, Sir John continued, to criticize Britain for declining to accept further responsibilities on the continent. The British Government were, however, well aware that by advising Germany to enter the proposed pact they were assuming a certain moral responsibility. By virtue of this moral responsibility, Germany would always be able to complain to Britain if the consequences Germany feared were actually to come about after the conclusion of the pact, and she would find a ready hearing.⁸ If, however, Germany were to reject it and if the pact should fail to come about, and a Franco-Russian alliance result, then British public opinion would naturally have little inclination to continue to pay attention to German desires and complaints. I, of course, did not fail to observe this veiled threat that Britain might possibly disinterest herself in Germany.

An interesting interlude then ensued when Sir John Simon turned to Mr. Eden and asked him to give his views even at the risk that he

⁸ Marginal note in Neurath's handwriting: "Nothing but words".

might contradict Simon's statements. Thereupon Eden said that he only wished to comment on the question of how to deal with the armaments problem, and then plainly stated that the British Government would regard it as a constructive German reply if the German Government were simply to state that they could only enter into *simultaneous* discussions about Germany joining the pact and about recognition of German equality of rights in armaments. This attitude of Eden's did not come as a complete surprise to me, as I already knew that Eden had expressed extreme indignation over Barthou's Bayonne speech. Sir John Simon, however, was obviously not quite prepared for Eden taking such an independent line and he at once tried to gloss over Eden's statement. I seized on it, however, and established that Eden obviously shared the Italian point of view, and that there could now be discerned three attitudes on the question of combining the Eastern Pact with German equality of rights, namely: first, the attitude of the Italians, obviously shared by Eden, who wanted to see the Eastern Pact definitely linked with German equality of rights; then, the line adopted by Simon in the House of Commons,⁹ holding out hopes for Germany which did not differ essentially from the prospect placed before Germany nine years ago at Locarno; finally, Barthou's attitude at Bayonne, which amounted to a definite rejection of any combined treatment of the pact problem and the question of equality of rights.

Then, in conclusion, I gave my opinion on Simon's arguments and said, among other things, that we could only judge the parity which the British Government had achieved, and so valued in the proposed pact, from the point of view of the advantages which might thereby accrue to us. If we in the West, in the event of a French attack, could henceforth count on receiving aid from Russia under the pact, then, as far as this "improvement" in our situation was concerned, I should come to the conclusion that I should find a French attack distinctly less alarming than the Red Army proceeding on a crusade through Germany to come to our assistance. This would apply equally to French assistance in the event of a Russian attack on Germany. In fact, the whole pact project meant that, in the event of any conflict involving Germany, whether she were the aggressor or the victim, all Germany's neighbours would at once storm into Reich territory from all directions, thus creating, whether as aggressors or defenders, confusion and ruin. Finally, as far as the threat that the alternative was a Franco-Russian alliance was concerned, I, personally, would prefer such an *open and clear-cut* alliance to a *disguised* alliance sanctioned by Britain and having the hypocritical appearance of a move to safeguard peace, which would definitely establish French hegemony in Europe in a pseudo-legal form.

⁹ In his speech on July 13; see document No. 87, footnote 2.

Sir John Simon closed the conversation by stating that any idea of encircling Germany was far from the British Government's mind; they were, now as ever, guided only by the desire to promote every possibility of furthering the preservation of peace. The British Government had no thought of wishing to exert any pressure on Germany, but they hoped that the German Government, by a closer study of the pact plan, would be able to see more favourable sides to it, and that they might also ultimately be brought to adopt a favourable attitude to the pact proposals themselves.¹⁰

HOESCH

¹⁰ For Simon's account of this conversation see *British Documents*, Second Series, vol. VI, No. 516.

No. 103

6695/H100654-57

The Ambassador in Italy to the Foreign Ministry

Telegram

No. 165 of July 20

ROME, July 21, 1934—11:15 a.m.

Received July 21—2:10 p.m.

IV Ru. 4109.

With reference to instructions IV Ru. 3375 of July 17.¹

I represented the German arguments in detail to Mussolini today and gave him to understand that we were not fully able to comprehend the Italian attitude. Mussolini replied first of all that, from a practical point of view, he not only understood our objections to the Eastern Pact but found them very weighty. Nevertheless he had to emphasize that the Eastern Pact was primarily a manœuvre requiring counter-manœuvres in reply. I alluded to yesterday's conversation with Aloisi, whereupon he said that he broadly agreed with his arguments.² Chambrun had also told him that he could not claim the authorship of the pact for France; while Potemkin had stated that concern at Germany's policy and German-Polish cooperation would drive Russia into the arms of France, but that she was altogether disinclined to conclude an isolated Franco-Russian alliance, which would only be considered as a last resort. The Soviet Government had a particular distrust of Poland, apparently also because of the Beck-Litvinov conversation.³ The purport of the French procedure was also, of course, completely clear to him, even though he did not fully share the

¹ Document No. 92.

² Hassell had reported on his conversation with Aloisi, which largely covered the same ground as the conversation with Mussolini, in telegram No. 160 of July 19 (6695/H100614-16).

³ Beck visited Moscow Feb. 13-15, 1934; see vol. II of this Series, report A 534 of Feb. 21, 1934, from Moscow.

concern caused by France's position of hegemony, for, should this really develop, it would inevitably provoke an Italian and British reaction against it. Above all, one must not ascribe any permanent value to the whole pact idea. In a really serious crisis it would not work and, moreover, it comprised elements of a far too diverse nature. I replied that we could not take the proposal as lightly as the Italians and the British, who stood outside it, which he admitted, and I asked him whether he would be prepared to sign a pact which gave the Soviet army the right to march through Italy, to which he, of course, smilingly replied in the negative. I then pointed out that the Italian attitude towards the pact had been thoroughly hostile⁴ and we could not quite see to what extent the matter had so basically changed in London. Mussolini referred to the elimination of anything directed against Germany and the adoption of reciprocity. To my rejoinder that we must decline with thanks this exceedingly dangerous reciprocity, he said that at any rate matters had changed from the juridical point of view, with the result that tactically paralysis had again set in, as was also shown in the Italian communiqué,⁵ most of which he himself had so carefully considered and drawn up. The pith of the communiqué was German equality of rights on the one hand, and, on the other, Italy's standing aloof and leaving the decision to the interested parties; he had also told Potemkin that he declined to put any pressure on Berlin. Germany too must now, as he had said, use clever tactics over the pact project. The only platform, but a very suitable one, was provided by equality of rights on the lines of my conversation with Aloisi;⁶ not indeed the principle of equality of rights, which already existed for us, but its practical realization, to be established as a consequence inherent in the conclusion of the pact, before entering into negotiations. He took the view that we should not discuss the extent of equality of rights but should simply make it plain that the obligations imposed upon us by the pact obviously presupposed that we possessed equality of armaments. I told Mussolini that in pursuing this course we would be running the considerable risk of being finally compelled by Britain, and perhaps Italy, to accept a compromise formula, and then find ourselves having to sign the pact after all. It was therefore of the utmost importance for me to be quite clear as to whether Mussolini would abide unconditionally by his communiqué, and particularly the passage about equality, in the sense that he

⁴ See document No. 61.

⁵ See document No. 87, footnote 1.

⁶ In the course of his conversation with Hassell (see footnote 2 above), Aloisi had suggested that Germany "should refer back to the declaration of December 1932 and state that, before any further discussion, we [Germany] regarded it as self-evident that the demand for a security system, which France had always made a pre-condition for our equality of rights, would be finally fulfilled by such a pact, so that thereafter a discussion of our equality of rights would be out of the question". For the Five Power Declaration of Dec. 11, 1932, see vol. 1 of this Series, Editors' Note, p. 18.

would state that Germany was justified in demanding that it be laid down in advance that equality of rights resulted from the conclusion of the pact. Mussolini said that he could definitely reply to that in the affirmative; he would stand by his communiqué in which this conception had already been clearly expressed. I said that it was, of course, very valuable to know this, but that even so misgivings enough remained. Mussolini thought that we need not show any haste at the moment. It might perhaps be as well first of all to allow a little time to elapse, but he believed that the way he had suggested would be the best tactics for us to pursue. As to the terms of the pact itself, he thought that it would also be advisable to shorten its duration as much as possible.

In answer to a question of mine, Mussolini said that Barthou's visit had not yet been fixed; not much progress had been made on the two questions which had to be settled beforehand, namely the questions of the Italian Statute in Tunis⁷ and the colonial frontiers. Agreement was quite possible over Tunis, but France seemed to show no inclination to meet them halfway where Lake Chad was concerned. To my question whether there were any other lines that Italy might pursue, e.g., in the area of Eritrea or Somaliland, he made no clear reply.

HASSELL

⁷ See document No. 87, footnote 5.

No. 104

8208/E583141-44

The Ambassador in Great Britain to the Foreign Ministry

Telegram

No. 219 of July 21

LONDON, July 21, 1934—6:22 p.m.

Received July 21—9:30 p.m.

For the Foreign Minister and the State Secretary.

Although I am naturally well aware that I do not have at my disposal here everything necessary for assessing our situation in relation to the projected Eastern Pact, nevertheless I venture to submit a few brief observations on the decisions which we have to make.

It appears to me that the following alternatives now present themselves to us:

(1) That we should place in the forefront of our political decisions our aversion to the projected pact and subordinate all other considerations to our unalterable decision in no circumstances to allow ourselves to be symbolically drawn into the Franco-Russian Pact. In this case our tactics would have to be organized in such a way that we should postpone for as long as possible a definite refusal and instead systematically proceed to treat the matter dilatorily. For the moment it seems

to me easy to do this since we can base ourselves on the fact, as I myself did the day before yesterday with the English Ministers,¹ that so far no clear proposals have been made to us and that therefore we have had no occasion to express our final views, quite apart from the fact that we do not even know to whom we ought to address a reply about our views. Then later on, if we receive a clear proposal, we can promise to study it and we can then set about laying bare the various manifest absurdities in the project. In the meantime it is possible that Poland's position may become somewhat more clearly defined in the sense of her being opposed to the projected pact and that other obstacles and restrictions may present themselves. It is therefore possible that in this way the whole project of the pact may collapse, as these days we have so often seen happen in the case of other projects of the kind. But, if these tactics of attrition do not succeed, we may ultimately find ourselves compelled to announce our decision against the pact, which we would have to do unhesitatingly and without having regard to the consequences in the logical pursuit of the policy we have accepted as right.

(2) That in accordance with the way German policy is developing we should subordinate all other considerations to the one main objective, i.e., achieving equality of rights for Germany in the matter of armaments. If we were to adopt this line we should have an extremely interesting political hand to play. In this case we should have to state that we were willing in principle to accede to the pact, with the necessary reservations and on condition that certain impossibilities in the pact should be altered, but that we could only do so if Germany were accorded equality of rights to the full extent of her demands, as contained in our document of April 16,² upon her accession to the pact. There would be a distinct possibility that by proceeding in this manner we might again disturb the unity which has been achieved on the surface between France, Britain and Italy. Italy has already clearly accepted the standpoint that equality of rights and our accession to the pact must go hand in hand, and the interesting statement by Eden the day before yesterday, on which I reported in my despatch of July 20, A 2554,³ shows that England too would presumably not be able to muster up much opposition to such an attitude on Germany's part. I believe that in this way the projected pact would come to grief of its own accord, as I cannot imagine how France could agree to granting Germany equality of rights immediately on her accession to the pact in view of what Barthou said at Bayonne.⁴ We need only follow the French right-wing press, particularly the *Echo de Paris*, to see in what

¹ See document No. 102.

² See document No. 4, footnote 8.

³ Document No. 102.

⁴ See document No. 92, footnote 17.

an impossible position Barthou would be placed in relation to the French right wing, if he were to make extensive concessions on armaments to Germany in order to make it possible for Germany to accede to the pact, which the right wing do not, in any case, want her to do. It also becomes clear from reading these newspapers with what suspicion Britain is regarded, when it is realized that Germany might put the armaments problem in the forefront and how much it is feared that Britain might accept such a move by Germany, which would be calculated to demolish the whole diabolical Barthou set-up of a pseudo-legal encirclement of Germany with Anglo-Italian approval.

It might be objected that both alternatives threaten to lead eventually to the same undesirable result, namely the conclusion of a Franco-Russian alliance. But there is naturally *that* difference that under the first alternative this alliance would come into existence not indeed directly with Anglo-Italian approval, but nevertheless with simultaneous Anglo-Italian resentment against Germany, whereas in the case of the second alternative, the conclusion of the alliance would constitute an affront to Britain and Italy and simultaneously our efforts to achieve equality of rights would receive fresh moral support from Britain and Italy.

I myself instinctively prefer the first alternative owing to the revulsion which I feel for the Franco-Russian encirclement manoeuvres which are being introduced in so hypocritical a fashion. But I do not fail in any way to recognize that the second alternative has considerable attractions and would fit in logically with our overall policy which is primarily aimed at achieving equality of rights.

Hoesch

No. 105

3154/671111-13

State Secretary Bülow to Foreign Minister Neurath [at Leinfelden]

[BERLIN], July 21, 1934.

DEAR HERR VON NEURATH: As always happens, some communications arrive one postal day too late. Thus, I received reports [*Meldungen*] this morning from II F¹ regarding the reorganization of the Reichswehr which worry me. Apart from what is known and has already been discussed by us, what is new to *me* is that as from October 1 all camouflaging is to be abolished. The renumbering of the battalions, amongst other things, will then already take place.

¹ No relevant documents have been found; the information was presumably obtained orally from Senior Counsellor Frohwein.

Furthermore, it seems to me that, with regard to the calibre of guns and perhaps also the weight of the tanks, the claims,² and therefore the programme, of the Reich Chancellor are to be exceeded.

Lastly, according to these reports, bomber formations are to appear openly as from October 1.

I assume that the relevant decisions were made before June 30³ and did not take into account the resentment which has prevailed since then, nor the Franco-British *rapprochement*. To abolish the camouflage seems unnecessary and hazardous to me, as does also, and even more so, the [intention of] exceeding the level of armaments which was publicly demanded by the Reich Chancellor and which I have always regarded as the maximum programme.

Would you like to do something about this matter, perhaps when Blomberg is back? Ought we to do something?

With kindest regards,

Yours etc.,

BÜLOW

² Presumably a reference to the claims in the German memorandum of Apr. 16, 1934; see document No. 4, footnote 8; see also vol. II of this Series.

³ i.e., the Röhm purge; see document No. 55 and Editors' Note, p. 117.

No. 106

6695/H100735-37

Memorandum by the State Secretary

BERLIN, July 21, 1934.
e.o. IV Ru. 4140.

The Russian Ambassador¹ paid me an urgent call today and stated, on instructions from his Government, that the Government of the Union of Soviet Socialist Republics agreed to the extension of the guarantees in the supplementary agreement to include Germany as well, and were not opposed to the French guarantees being applicable to Germany also. Russia had already informed the Governments of France and Great Britain of this.

The Ambassador further stated, also on instructions from his Government, that they had received the original French draft of a pact which, however, they had not judged (joint study is presumably meant) with the French Government; the Russian Government had not gone into details. The Russian Government, therefore, had not communicated this draft to any other Government in their own name.

In explanation, the Ambassador told me that the French Government had sent (obviously before Barthou's visit to London) a written

draft of a pact to Moscow. Up to the present the Russian Government had expressed no opinion concerning individual points in this draft. Thus, although they agreed with France on the basic principles, they had withheld giving their views as to the wording and other details of the pact. The Ambassador had received this French text from Moscow a few days ago; it agreed with the London text, except that the Moscow text contained a short preamble.

The Ambassador asked me about our views and was very glad to learn that we did not reject the plan out of hand but would study it, and were in principle prepared to discuss the question. He, personally, thought that even if one were finally to reject the pact, one should not withdraw from negotiations, not only for practical reasons, but above all to avoid incurring odium.

I explained to the Ambassador that though we were ready to exchange ideas, this did not in any way imply concurrence with the terms of the pact. The authors of the pact had obviously no appreciation of our particular situation. We had to reject sanctions, especially automatic sanctions, both on principle and out of practical considerations. Furthermore, the point of view of the other Powers with regard to disarmament and equality of rights implied a considerable step backwards from the Locarno position. Finally I told him that we would never sign an agreement before the question of equality of rights had been satisfactorily cleared up.

BÜLOW

No. 107

6693/H099711-12

Note by the Director of the Economic Department

BERLIN, July 21, 1934.

On July 20 I again had a discussion with Staatsrat Thyssen¹ about Heye and Manchukuo. Herren von Erdmannsdorff,² Zores (a companion of Heye who has now been recalled)³ and Daub of von Thyssen's office here took part in the discussion.

(1) After Zores had said a few words about opportunities for doing business which he had found to exist in Manchukuo (a glass factory, an alcohol factory, machine tools etc.) I agreed that next week we should study the question with the proper authorities (the Reich Ministry of Finance, the Reich Ministry of Economics, the Reich Ministry of Food and Agriculture and the Reichsbank) as to whether

¹ Fritz Thyssen, Prussian State Councillor, industrialist and member of the General Economic Council [*Generalrat der Wirtschaft*].

² Otto von Erdmannsdorff, a Deputy Director of Department IV.

³ See document No. 22, footnote 7.

large industrial orders could be extracted from Manchukuo by means of a blocked account for the payment of soya beans. From this part of the discussions it emerged that Herr Thyssen himself was not interested in a monopoly of the business for the German-Manchukuo Company which he had founded. His intention was merely to introduce one single agency which would prevent the various interested parties—on the one hand the soya bean importers and on the other the industrial exporters—from working against each other. He also mentioned in particular the employment of German shipping. For the German-Manchukuo Company he is only asking for commission to cover expenses (he spoke of 5 per cent of the value of the industrial deliveries). He said he was also prepared to transfer the whole organization of the German-Manchukuo Company to other interested parties if they would take over the expenses.

(2) After Herren Zores and Daub had left, I spoke to Staatsrat Thyssen personally about our attitude to Heye. I pointed out that at present an enquiry was being conducted by Reich Minister Kerrl.⁴ At this enquiry the Foreign Ministry had represented the view that Herr Heye's appointment as Reich Commissar should not only not be confirmed anew, but should be terminated. I explained this to him in detail by referring to the experiences of Missions, German business representatives and to official Japanese statements. On the other hand I told him that if he wished to leave Herr Heye in Manchukuo as his own personal representative, then of course we should have no objection. We would, on the contrary, be prepared to instruct our official posts to assist Herr Heye in every way as a private businessman. Herr Thyssen was on this occasion very much milder and less aggressive than during previous conversations. He said he had no particular regard for Herr Heye personally. He had only set things in motion because he was convinced that the matter would one day have to be dealt with by a single authority. If Reich Minister Kerrl's enquiry showed that Heye could not be regarded as a suitable person, then he would accept the position without further ado.

To be submitted to the State Secretary
Department IV
Herr Ulrich
Herr Clodius

BITTER

⁴ Under a letter of July 13 (6693/H099709-10) Neurath had forwarded to Hanns Kerrl, Minister without Portfolio, copies of the exchanges between Heye and the Foreign Ministry.

No. 108

9037/E633269-71

The Directorate of the Reichsbank to the Foreign Ministry

BERLIN, July 21, 1934.

Received July 23.

W 6047.

Subject: Negotiations on the Arrangement of Clearing Accounts abroad.

For Ministerialdirektor Dr. Ritter.

We beg to refer to our letter of July 3 last (IIa 14043)¹ and again to express our misgivings on the following:

Our representatives have gained the impression from the negotiations which are at present taking place with the French Delegation² as well as with delegations of other countries regarding the conclusion of bilateral clearing agreements, that, although the other countries genuinely desire to guarantee a trade balance surplus for Germany, such a surplus will in no case be definitely and tangibly guaranteed to the Reichsbank in the form of foreign exchange. But if the Reichsbank's foreign exchange holdings are to be sufficiently increased, then it is precisely here that it must place the strongest emphasis. However advantageous the granting of quotas and permits and so forth may be from the point of view of commercial policy, the primary question here must ultimately be whether it will be possible for our trade to make full use of these. Only then would the hypothetical surpluses become real in the form of foreign exchange available to the Reichsbank. Since, however, there is no certainty that the German parties concerned will make use of these advantages, it is doubtful whether the surplus on paper would in fact be obtained and made available if it were not guaranteed.

We believe that an agreement guaranteeing an increase in the Reichsbank's foreign exchange holdings can best be reached by laying down that a proportion, to be precisely determined day by day, of the payments by foreign buyers shall be placed in a special Reichsbank account. Only on this condition might it be possible for the Reichsbank to undertake to make the payments due under the Government agreements. The daily sum would therefore have to be made large enough to leave the necessary free surplus after these payments have been made.

¹ Document No. 53.

² See document No. 37, and footnote 3 thereto. Besides the Commercial Treaty of July 28 (see document No. 9, footnote 2), other agreements were concluded on the same day on commercial payments and on the purchase by the German Government of the French-held coupons of the Dawes and Young Loans maturing between July 1 and Dec. 31, 1934 (9631/E679218-73).

The reason why we attach such great importance to an unconditional guarantee of a genuine foreign exchange surplus is that just at this moment our experience with the allotment system is once again showing that, in addition to trade requirements, relatively large payments are having to be made for other purposes. Should the clearing agreements not provide us with the necessary free foreign exchange, the danger will arise that these other payments would become impossible. This would lead to serious hitches, for example, in the settlement of railway, postal and freightage accounts etc. But, above all, we fear that we shall not have sufficient free foreign exchange to service the Standstill Agreement.³ We must avoid the danger of eventually defaulting on the Standstill Agreement because of the clearing accounts.

With regard to the agreement with Britain,⁴ which is to be concluded on the pattern of the existing agreement with Holland,⁵ we would urgently request that, if British goods are to be paid for in Reichsmark through a special account of the Bank of England with the Reichsbank, it shall at all events be made obligatory upon Britain in the treaty only to use the Reichsmark credit balance thus accruing for the purpose of buying goods from Germany. In no circumstances should marks be sold to anyone but British importers of German goods. Otherwise the great danger might arise that through sales of marks by the Bank of England elsewhere the Reichsmark would be subjected to pressure and would depreciate. This contingency we must, in agreement with the Reich Government, endeavour to prevent whatever happens.

We would also recommend that it be stipulated in the negotiations with the British that when the payments from German importers of British goods into the account of the Bank of England with the Reichsbank exceed a certain limit and the Bank of England is unable to use such marks immediately for purchases of goods from Germany, the Reichsbank should have the right temporarily to suspend these payments into the Bank of England's account.⁶

We would point out in this connexion that it is the chief concern of the Reichsbank to maintain the parity of the Reichsmark and that the Reichsbank must therefore reserve the right to take any measures which the situation at any given moment might require. We would

³ See document No. 12, footnote 4.

⁴ Negotiations on an Anglo-German exchange agreement had begun in Berlin on July 16. See also footnote 6 below.

⁵ This was the supplementary protocol of June 5, 1934 (9825/E691783-86) to the Protocol of Dec. 31, 1932 (9825/E691775-78) regulating the payment of commercial transactions.

⁶ In a memorandum of July 24 (7265/E533053-55) on the state of the negotiations with the British Delegation on an Anglo-German exchange agreement, Ulrich recorded that he had discussed these points with Mr. Pinsent, Financial Advisor to the British Ambassador in Berlin. Pinsent had stated that he could not accept a limitation of this kind as long as it was not included in the other clearing agreements. He would, however, be prepared to accept it if it were included in the other treaties.

request that a clause to this effect be included in the various agreements.⁷

The Directorate of the Reichsbank
SCHNEIDER V. WEDEL

⁷ In its reply of July 24 (9037/E633272-73), copies of which were also sent to the Reich Ministry of Economics and the Reich Finance Ministry, the Foreign Ministry expressed its complete agreement with the Reichsbank's view on the aims to be pursued in the negotiations with other countries on clearing and payments agreements.

No. 109

6695/H100715-21

*State Secretary Bülow to Foreign Minister Neurath*¹

TOP SECRET

BERLIN, July 23, 1934.

DEAR HERR VON NEURATH: As you know, I do not like troubling you with official business during your leave. The decisions shortly to be made are, however, so important that I cannot refrain from commenting briefly on the latest incoming telegrams etc. which will certainly have been submitted to you, but which in any case I am again sending you.

Reports, some very detailed, have now come in from the most important capitals. In Paris, Köster has spoken to Barthou.² On some points it seems to me that his performance was not entirely happy. We are therefore sending him, with Tuesday's courier, a letter again pointing out the most important aspects, both positive and negative.³ In addition, Rintelen is going to Paris on Wednesday evening on current business, and we will give him appropriate verbal instructions for Köster. I may sum up the Paris attitude as follows: There is great satisfaction over the Anglo-French *rapprochement*; consequently, nearly 100 per cent rejection of meeting Germany in any way over the questions of equality of rights and disarmament, whilst they adhere to the idea of a Russo-French alliance—though in the camouflaged form of the Eastern Pact—combined with Russia joining the League of Nations. If the Eastern Pact does not materialize, then France will conclude an open alliance with Russia. In Moscow, to judge from the meagre information available, they are likewise attached to the Russo-French alliance and to the idea of an Eastern Pact, which is supposed to provide fetters for us and security for Russia.

To dwell for a moment on this aspect of the matter: The present basis for the proposed Russo-French cooperation is Russia's entry into the League of Nations, making use, as though it were an alliance, of

¹ Neurath was staying at Leinfelden.

² See document No. 101.

³ See document No. 113.

Article 16 etc. of the League of Nations Covenant. Article 16, however, is very shaky ground. These sanctions provisions have never been applied, although there has been no lack of occasion to do so. None of the modifications proposed earlier for the purpose of clarifying the application of this Article have been ratified. And even now, Britain and Italy are refusing to commit themselves to sanctions within the framework of an alliance. Furthermore, Russia's entry into the League of Nations (entailing submission to "bourgeois" arbitration courts etc.) cannot be honestly meant, and that gives rise to a false and uncertain situation. That might not be so bad if it were possible to succeed in showing foreign countries by propaganda how unsound and unstable is the basis of the whole construction. But I fear that we shall not have much of a success with the world in general in discussing this topic.

In this connexion I should like to revert to the attitude of the other countries. Poland does not seem able to work up much enthusiasm for the Eastern Pact, which is quite understandable. Moltke is coming to Berlin this week and I would like to see him with the idea of his trying to bring about an indirect discussion with the Polish Government, as I am convinced that the Poles, in order to emphasize the independence of their decisions, will be very unwilling to discuss the problem with us openly. And, in fact, we are more interested in having an independent Polish decision than in a German-Polish agreement which would cause us to be suspected of wanting to cloud Polish-French friendship. The [Baltic] Border States, particularly Finland, are also taking a negative attitude; I know nothing definite about Lithuania; Latvia and Estonia would be glad to see any pact come about which entailed no dangers to themselves, but their isolated views are, after all, not important. The Scandinavian countries are entirely opposed to participating in the Eastern Pact.

In the two telegrams from Rome (Nos. 160⁴ and 165⁵) the Italians counsel a tactical manœuvre, which is also discussed in an interesting telegram from Hoesch (No. 219⁶). I should like to revert to this point in another connexion, and only say here that I take the Italian proposal to mean that in the matter of the Eastern Pact we ought to play for very high stakes. The small tactical moves which we have so far considered and in part adopted are not what the Italians recommend, but are merely delaying tactics, which Hoesch, in his telegram already referred to, speaks of as the "first alternative". The Italians obviously have in mind a dramatically staged action. Mussolini's warning against precipitate action I attribute to his wish to avoid stating any further views until after Barthou's visit.

⁴ Not printed. See document No. 103, footnote 2.

⁵ Document No. 103.

⁶ Document No. 104.

As far as London is concerned, the motives for the British attitude are certainly clear enough by now. Not only the letter from Hoesch,⁷ which I have already sent to you, but also the telegram from Köster (No. 984) of July 21⁸ fully confirm the statements by Colonel von Geyr.⁹ I may also remind you of the latest conversation between Hoesch and MacDonald (telegram 171 of June 22¹⁰ is enclosed). In the near future, therefore, we cannot count on any cooling-off in Franco-British relations, or on receiving any British support in rearmament questions.

With this I come to the conclusions to be drawn from the reports to which I have referred above.

First, I may point out that in Paris yesterday there was great excitement over your expected broadcast on Sunday.¹¹ This speech has even been made the subject of extensive comments by several newspapers and rejected *a priori*. There was also a certain amount of excitement here too, for instance the Director of DNB telephoned me that he had not been able to find out when and where you would broadcast.

Then I must point out, which had escaped me in the earlier stages, that we cannot long delay our decisions to suit ourselves, because the other Powers at the League Assembly in Geneva, which begins on September 10, will be bound to ask for a decision by us. It would entail a fiasco for the Assembly meeting if the subject of the Eastern Pact could not be discussed there, and, therefore, the French and the British at least will urge us to make a plain statement of our views on their proposals before the Geneva meeting. We can therefore proceed in a dilatory way only until about the end of August. That Henderson¹² may possibly call his Disarmament Commission together even before September 10, and the Eastern Pact problem thus be spotlighted, appears to me to matter less, because neither Simon nor Barthou are likely to be attending this session, so that the personal interest of the Foreign Ministers will play no part. Before September 10, however, the different Governments are sure to ask us for a statement as to our attitude.

The longer we study and work on the question of the Eastern Pact here, the clearer it becomes that in order to evolve the right and most suitable tactics we must be guided by our plans for the reorganization of the Army etc. What is being planned in respect of the German Wehrmacht must decide how we proceed over the Eastern Pact. If,

⁷ Document No. 99.

⁸ Not printed. See document No. 101, footnote 7.

⁹ See document No. 90.

¹⁰ Document No. 28.

¹¹ i.e., July 22. See document No. 95, and footnote 4 thereto.

¹² Arthur Henderson, British Foreign Secretary 1929-1931, President of the Disarmament Conference.

for instance, we wish at a relatively early date, by removing all disguise, to make it known that we are rearming within the scope of our programme of April 16,¹³ or even to announce it officially, we could not possibly enter beforehand into negotiations on the Eastern Pact on the lines of the Italian proposals. We would be branded as dishonest, and Britain and Italy in particular would be compelled publicly to dissociate themselves from us in order to avoid being suspected of complicity in our conduct. The Italian proposal can be of use only if it results in the French-British-Italian front being broken up. Hoesch also looks at it in this way. This purpose will, however, be defeated if at the same time we announce our freedom to rearm, or allow it to become known. Such a manœuvre would only lead to increased ill feeling. A policy of independent reorganization of the Army irrespective of treaties [*vertraglos*] we could only carry out in opposition to Britain (and Italy), and therefore in complete isolation. This would apply in a greater degree if we no longer conformed to the programme of April 16, but enlarged it.

On the other hand if we do carry out our rearmament, but keep to camouflage and wish to avoid overstepping the bounds of the programme of April 16 in any way, then we could consider adopting the Italian proposals or altering them in a way to suit ourselves. We would then have to make a statement to the effect that we were in principle in agreement with the idea of an Eastern Pact, that, in the proposal itself, we saw our equality of rights recognized and its realization approved, and that we only wished to remove certain faults from the present draft of the Eastern Pact. (I should have doubts about claiming equality of rights. One would have to assume that they had already been conceded. A rather clumsy manœuvre!) We would then, however, no longer be in a position to decline "reciprocal support", but could at best stipulate a transitional period in the sense of Annex F to Locarno.¹⁴ That, in itself, would not alarm me, for it is a far cry from the proposal to its realization. Here, as the French have done with disarmament, we could make conditions and question new points until this aspect of things gradually changed, together with the whole political situation. Furthermore, we would have to put up with returning to the League of Nations, though for this we might be able to make reservations or further provisos with regard to reforms etc. Then, however, all those dangers would arise which Hassell, quite rightly in my opinion, pointed out to Aloisi (telegram No. 160 of July 19⁴). Finally, we could not carry out the Italian "manœuvre" and oppose the French "pretensions to hegemony" at the same time, but at most try to modify the form in which the pact was drawn up,

¹³ See document No. 4, footnote 8.

¹⁴ See document No. 92, footnote 16.

so that at least (on the lines of the Four Power Pact of 1933¹⁵) Britain and Italy would also participate in the consultations provided for in the Eastern Pact. Reciprocal support would always remain limited to us, the French, the Russians and the Poles.

I myself feel more sympathetically inclined (as does Hoesch) to the alternative of a dilatory rejection of the Eastern Pact. Here I am assuming that a decisive No (or Yes) will be wrung from us before September 10, unless we enter into negotiations, which even then may break down. A rather dangerous game.

Taking everything into consideration, I am proceeding from the assumption that we are at present completely isolated and also that we shall be unable to alter this in any way if by the autumn we come out with a practical rearmament programme. The armaments timetable is, therefore, to some extent decisive for our further tactics in the matter of the Eastern Pact.

If we wish to force rearmament through, given our isolation, perhaps it would be best for us to be guided by that alone. Simultaneous attempts to break up the hostile front by "manœuvres" would only lead to painful defeat and disappointment. That would be particularly serious since, from a politico-military point of view, next winter must be regarded as a special "danger zone" on account of the reorganization taking place in the Reichswehr.

The reason for my remarks and the object of this letter is to request you to consider our line of reasoning, and, if you agree with it, to have the question clarified as to what should be done in the next few months with regard to German rearmament and its notification, so that in the matter of the Eastern Pact we may adapt our tactics accordingly. Without sufficient clarity on this point we run the risk of losing the greatest asset we possess today in foreign policy—the confidence felt abroad in the Chancellor and in his promises. The matter is not so very urgent; we can mark time for two or three weeks yet.

I cannot conclude this letter without drawing attention to what might otherwise escape you owing to the meagre reports in our press. This is that in Italy, as may be seen from the great majority of the press, there is much resentment against us on account of the broadcasts by Frauenfeld, and particularly on account of the endless series of bomb outrages in Austria.¹⁶ The latest incident on Lake Constance, about which the enclosed radio reports from Beromünster¹⁷ give details, also does not help to improve the situation.

With cordial greetings,

Yours etc.,

VON BÜLOW

¹⁵ For the Four Power Pact of Understanding and Cooperation initialled in Rome on June 7, 1933, see vol. I of this Series, document No. 292.

¹⁶ See document No. 116.

¹⁷ This refers to the discovery and confiscation by the Swiss police on July 21 at

No. 110

4619/E197992-94

State Secretary Bülow to Foreign Minister Neurath

CONFIDENTIAL

BERLIN, July 23, 1934.

DEAR HERR VON NEURATH: François-Poncet paid me a visit lasting two hours today. First, in an account which lasted an hour he described the whole of his relations with Röhm, Schleicher etc. It was a repetition of what he had already told you.¹ The only thing new to me was that he had intervened with you on behalf of Regendanz, and he explained how he had come to meet Röhm once and apparently Schleicher also once at Regendanz's. This visit to you is, however, of special importance to François-Poncet, inasmuch as he regards it as a breach of trust that the Chancellor in his Reichstag speech² used information which François-Poncet gave you in order to explain his relations with Regendanz, and, as he thought, to exonerate the latter. He particularly objected to the obvious fact that no credence had been given to the declaration made on his word of honour that he had known nothing at all about a conspiracy, and that no word had been said in his presence to which objection could be taken. After the statements made by the Chancellor in the Reichstag, which the whole world had taken to refer to him, François-Poncet, he did not know whether your statement to him that he still enjoyed the confidence of the Reich Government, that we had nothing to reproach him with, and that he could continue to maintain relations with us, still held good. He felt that he was being pilloried and that he was under suspicion. He did not know whether the Chancellor would be prepared to receive him again and he asked for this question to be settled. He went further and asked that an end should be made to this state of affairs, which was intolerable for him, by somehow restoring normal relations and at the same time making this apparent to the public. In this connexion the Ambassador also hinted that, in view of the familiar

¹ See document No. 64; in a memorandum, RM 806 of July 11 (2406/510857-59), Neurath recorded a further conversation with François-Poncet on July 10 at which the latter gave an assurance that no serious political conversations had taken place during his meetings with Schleicher, Röhm and Regendanz. A copy of this memorandum was sent to the Embassy in Paris under No. II Fr. 2459 of July 13 (5881/E430568-71).

² On July 13; for the text see Baynes: *Hitler's Speeches*, vol. 1, pp. 290-328.

Stad near Rorschach on Lake Constance of a motorboat laden with explosives and fuses destined for Austria. Three members of the SA were arrested by the Swiss Police. On the margin of an express letter, II Oe 1844 of July 25, to the Ministry of the Interior (9987/E697437-38) asking for information on this matter, Köpke recorded that he had already telephoned the Ministry of the Interior who knew nothing of the affair, but were making investigations. The texts of the monitored reports from Beromünster are not printed (9987/E697439-40).

events, he feared that some fanatic might believe he would be doing a meritorious deed by shooting him. This was why he had not allowed his family to return to Germany, although he had rented a house at Wannsee specially for his wife and children for this summer. This was causing him certain awkward complications.

I did not feel myself authorized to tell the Ambassador that he still retained the complete confidence of the Reich Government and that no one suspected him of having actively plotted with the traitors against us. I merely told him that I myself had never thought this of him and that you, I was convinced, took the same view as you did when (before the Reichstag meeting) you told him he had our confidence, and that, if he no longer had it, you would bring it to his notice in the proper form.

I think it would be a bad thing for us to send François-Poncet home, since we should hardly get a better representative, and an Ambassador who has shared these experiences and has lost some prestige might be very useful to us. We cannot, however, simply allow the present state of affairs to continue. In the near future we shall, I think, have to tell François-Poncet whether or not the Chancellor will be prepared to receive him again, and we shall have to arrange for their next meeting to be appropriately dealt with in the press. I wonder, therefore, whether the neatest way of settling the matter would not be to contrive a meeting somewhere else, at Bayreuth for example. The whole situation would be cleared up if the press could be informed that the Chancellor and the French Ambassador had met at the Festival and that the Chancellor had had a lengthy conversation with François-Poncet about art or the like.

As I cannot recall when you saw François-Poncet last and I do not know whether you have spoken to the Chancellor about this matter since his Reichstag speech, I should be grateful for brief instructions on how to deal further with it.³ François-Poncet will, of course, bring the matter up whenever he calls on me.

With best wishes,

Yours etc.,

BÜLOW

³ No reply to this letter has been found.

No. 111

6695/H100732-33

Memorandum by the State Secretary

BERLIN, July 23, 1934.

e.o. IV Ru. 4137.

When he called today, the French Ambassador also brought up the

matter of the Eastern Pact. He explained to me, without, he said, having been instructed to do so and, as he emphasized, purely because of what our press was saying, that we were not justified in complaining that we had been given an uncompleted document. The Eastern Pact project had purposely not been completely drawn up because it had been intended to draw up the text jointly with us. The London document¹ had not been much more than a table of contents. Further we had complained that the progenitor of the plan for an Eastern Pact remained anonymous. It would however, be just as correct for the French to say it was of Russian origin, as for the Russians to say it was a French idea. Litvinov had suggested an alliance to the French. The French had had the idea of expanding this offer into an Eastern Pact. François-Poncet said he had informed us of this at the time,² and Beck (this was news to me), as well as Litvinov, had undertaken to go into the plan more thoroughly here on their way back from Geneva. Given this history of its origin, it would be idle to quarrel about its paternity. As far as equality of rights was concerned, it was not true that the French had refused to recognize this. The Ambassador then gave an interpretation of the Bayonne speech³ which I had to reject as being wide of the mark. I told him that Barthou had sufficiently confirmed our unfavourable interpretation of the Bayonne speech to Köster.⁴ I also pointed out that the Locarno Treaty had already promised us more with regard to equality of rights and disarmament than was now being offered to us. We did not pursue the matter any further. The Ambassador said he had no instructions, and I said that after the unfortunate speech at Bayonne we did not know whether or how we should negotiate over the Eastern Pact, as unless we were accorded equality of rights we would, of course, conclude no pact.

BÜLOW

¹ Document No. 85, enclosures 1 and 2.

² See vol. II of this Series, Berlin circular telegram of June 7, 1934.

³ See document No. 92, footnote 17.

⁴ See document No. 101.

No. 112

4620/E200870-78

Minister Rieth to State Secretary Bülow

SECRET

VIENNA, July 23, 1934.

Subject: Beginning of changes in Austrian internal politics.

DEAR HERR VON BULOW: In my telegrams and reports, some of them top secret, I have kept you informed of my observations, at least as

far as some of the main points are concerned, as to the repercussions in Austria of the conversations at Stra.¹ I have also tried to describe to you the background of the latest Cabinet changes² which is related to these conversations. Before Mussolini's conversation with Dollfuss takes place at Riccione I would now like to try to give you a more coherent account of the present situation here, which, as you know changes very quickly. Since, in what follows, I am passing on some information given me in strict confidence, I have taken the liberty of doing so in the form of a letter to you, and am requesting you to make any use of it you see fit but treating it in strictest confidence.

I. *Events leading up to the recent Cabinet changes*

As already reported, Herr Dollfuss' chief aim in making the latest Cabinet changes was to assemble together all sections loyal to him in a fighting Cabinet [*Kampfkabinett*] whose main task was to be a stronger attempt to defeat the national opposition by ruthless means. Consequently, one of the first official acts of this new Government was the enactment of the laws reported by me under which bomb outrages, however slight, must be punishable by death.³

For the same reasons as those mentioned above, one of the main purposes in forming the new Cabinet was to curb still further the influence exerted by Fey, hitherto Minister of Security, as I have already reported. At first Herr Dollfuss even intended leaving Fey out of the Cabinet altogether and perhaps putting him into some diplomatic post abroad. In order to free some important diplomatic post which could then be used for a *revirement*, Herr Tauschitz was recalled to Vienna.⁴ The idea was to send Rintelen, who seemed to Dollfuss too dangerous in Rome, to Berlin where it was thought he would be less dangerous and where it was believed to be easier to give him enough rope to hang himself soon. Apart from these intentions, the above-mentioned reasons of domestic policy, as well as the hope of thereby splitting the Landbund⁵ which went into opposition some time ago, played a part in the appointment of Herr Tauschitz. I have already reported that it seems hardly feasible to carry out the latter part of this plan. Nor has it proved possible to turn Herr Fey out of the Cabinet, since Neustädter-Stürmer, the third Heimwehr Minister

¹ See document No. 34.

² In telegrams No. 54 of July 11, 1934 (8654/E605859-62) and No. 55 of July 12 (8654/E605865-66).

³ See document No. 89, footnote 2.

⁴ According to a memorandum by Neurath, RM 825 of July 14, 1934 (3086/617240-42), Tauschitz had informed him that day that he had been appointed "State Secretary and Director of the Austrian Foreign Ministry". He would, however, be retaining his post in Berlin, taking leave of absence, as he might wish to return to it.

⁵ lit. "Land League", a party representing primarily the more liberally inclined peasantry. Formerly in alliance with the Christian Social Party.

in the Cabinet—the others being Starhemberg and Fey—has declared his solidarity with Fey, as have a number of other leading Heimwehr members such as Lahr, the Deputy Mayor of Vienna. Herr Dollfuss was thus forced at the last moment to keep Herr Fey in the Cabinet. He did this, however, by depriving him as far as possible of his freedom of movement by virtue of the arrangement described in telegram No. . . . [sic].⁶

Herr Fey's first reaction to this was to try and strengthen the ties he had already formed with the National Socialists some time ago, and which were one reason why Herr Dollfuss had come to mistrust him, and also to involve Lahr, the Deputy Mayor of Vienna, in these attempts.⁷ Moreover, within the Cabinet, he has refused to further the Government's design of executing National Socialists for bomb outrages etc., and has demanded a relaxation of these only recently enacted laws. He has so far also prevented the establishment of the "General State Commissariat for extraordinary measures to combat anti-State activities", which I have mentioned in my reports, and has not become its President. The character of the Cabinet, which as I have said, Dollfuss had meant to be a united fighting Cabinet, has been substantially modified by these events.

Since Herr Tauschitz's appointment had already been announced, it could no longer be cancelled even after the reasons for it had ceased to exist. As a result, he is now more or less in the air, especially since almost the whole of the Foreign Ministry are hostile to his appointment, so that, as I have already reported, he can hardly be expected to retain it for very long—there is talk of from two to three months. Whether, as is variously rumoured, he will then be given the Ministry of the Interior, a post for which Dollfuss has been vainly seeking a really "national" person, or whether he will return to Berlin, or disappear completely, is still uncertain.

II. *Italy's attitude*

How the Italian Government will act after the meeting at Stra, and how Mussolini will behave towards Herr Dollfuss at Riccione, I naturally cannot fully judge from here, since I lack much of the information necessary for forming an opinion. None the less, in addition to what I have previously reported, I should like to convey a few further observations I have been able to make, even if they only serve to complete those furnished by our Embassy in Rome which is, naturally, better informed about the Italian plans than I am.

⁶ No number is given. Telegram No. 54, cited in footnote 2 above, appears to be meant. The reference is to the appointment on July 10, 1934, of Fey as General State Commissioner for Security, with Dollfuss himself taking over the Ministries of Security and National Defence.

⁷ A copy of an unsigned memorandum, dated July 19, on a conversation held on July 18, 1934, between Lahr and a representative of the Vienna Gauleitung has been found in the Foreign Ministry archives (4938/E270049-51).

As far as can be seen, the shifts of power within the Austrian Government, as expressed in the most recent reconstruction of the Cabinet, have by no means been a matter of indifference to the Italians, and they already seem to be drawing certain conclusions. Thus, the Italians are obviously not at all pleased to see the influence of leading Christian Socialists increase at the expense of the leaders of the Heimwehr—whom they look upon as their assault troops—an increase of influence that has again emerged in the reconstruction of the Cabinet, and more especially in the reorganization of the Army and Security authorities, both at present of decisive importance, as well as in the curb put upon Herr Fey, who with Starhemberg, is the most influential of the Heimwehr leaders. All this is naturally not counterbalanced by bringing in as Minister of Justice⁸ a member of the Heimwehr who is devoid of influence and who is merely to be made to bear the odium of possible executions of National Socialists. Both this, and the circumstance that Herr Fey, whose followers are perhaps at present the most influential section in the Heimwehr, is rated more highly in Italy than is Prince Starhemberg, on whom Dollfuss is relying against the aforementioned Fey group, may be deduced from several pointers, such as, for instance, the fact that after the Cabinet reconstruction the Italian Minister here only conveyed his Government's congratulations to Federal Chancellor Dollfuss and to Fey, who, as Federal Minister without Portfolio, had been more or less set aside, and that, as is rumoured, Starhemberg was not received by Mussolini during his Rome visit,⁹ of which I have informed you.

There are, moreover, indications that in another direction, too, the Italians seem to be gradually changing their minds about Austrian domestic politics. Preziosi, the Italian Minister here, who has steadfastly supported Dollfuss in his fight against National Socialism and who used to emphasize what he thought of the Federal Chancellor's prospects of success, was still expressing grave concern on this point before he left last week to take several weeks' leave—it is variously prophesied here that he will be transferred to an Ambassador's post. The present Italian Chargé d'Affaires, Counsellor Grazzi, who has quite recently been posted here from the Palazzo Chigi, is very much more critical. Even before the Cabinet reconstruction he was complaining that Dollfuss was doing nothing to solve the growing difficulties in domestic politics. A few days ago he invited me to lunch and drew me into a long conversation about the situation here, during which he said that the time had come to work out a constructive solution and

⁸ Egon Freiherr von Berger-Waldenegg, who subsequently became Foreign Minister in Schuschnigg's Cabinet.

⁹ No report on a visit by Starhemberg to Rome at this time has been found. Starhemberg does not mention a visit to Rome in his memoirs, *Between Hitler and Mussolini* (London, 1942), but only a stay in Venice from July 19 onwards (pp.150-151).

put an end to the present state of affairs which appeared to him to be steadily deteriorating. He was also critical of the fact that, just when a satisfactory solution was being sought in Italy too, the Dollfuss Government were liable to aggravate the situation anew by executing National Socialists, although he condemned the acts of terrorism, which he attributed to the National Socialists. Finally, referring to the view, expressed by the Reich Chancellor at Stra, that Austria's difficulties in domestic politics ought to be solved by a Federal Chancellor other than Dollfuss, he gave me to understand that he thought Fey would be the right man to head such a Cabinet, whilst he was obviously less inclined to Rintelen, who has hitherto been to the fore in such speculations here.

That the Italians should be thinking along such lines is the more understandable when it is borne in mind that, should it in future come to a coalition with the National Socialists, the Italians would, apparently, wish to continue to protect their own interests by relying only on a few carefully chosen persons. Moreover, the Italians consider that the Heimwehr affords a better guarantee than do the Christian Socialists for maintaining Italy's at least partial influence in Austria, not only because the Heimwehr are more dependent on Italy than the Christian Socialists, but also because the Heimwehr represent an armed organization and one which has hitherto been mainly responsible for the Italians' present influence in Austria. Although I have unfortunately very little information on this point it also appears possible that Rintelen's completely unpredictable and sly character, as much as his Christian Socialist following, would afford the Italians less guarantee for the future than would the simple, although brutal, soldierly character of Fey, whose value to them they have tested during his previous long period in office.

As I have already reported,¹⁰ the fact that Herr Dollfuss still seems somewhat uncertain as to Mussolini's intentions towards him, and fears that either during or after their conversation at Riccione, Mussolini might throw him over in favour of someone else, such as Fey, may have contributed substantially to his decision in that event to intensify the fight here by making the bomb outrages which are still occurring a pretext for executing National Socialists, thus creating a new situation and obtaining further support, not only from Italy but from France and Britain too, in a struggle which he pretends to have had forced on him, and proving himself indispensable as leader in this "final struggle", as Government circles call it. Along the same lines are the attempts, which I reported today,¹¹ to set in motion international

¹⁰ In telegram No. 57 of July 14, 1934, cited in footnote 2 to document No. 89.

¹¹ According to the Journal, telegram No. 60 from Vienna of July 23 which dealt with this subject, was filed under Oe. Po 29A; the relevant part of this file was accidentally destroyed by fire in 1943.

action over the question of the so-called bomb outrages, attempts which are always made when the Government are unable to make any headway on their own in domestic politics.

III. *Change in Minister Fey's attitude towards the National Socialists in Austria*

As I have already predicted in my previous reports, it is becoming more and more clear that Herr Fey, who is a fighter by nature, does not intend to accept the Federal Chancellor's antagonism without taking appropriate counter measures. After Herr Fey had, as already stated, been making cautious approaches to the National Socialists for some while, he took a determined step in this direction and against Herr Dollfuss a few days ago. On his behalf a friend of his, Major Lahr, the Deputy Mayor of Vienna, told a representative of the Vienna Gau of the NSDAP that Fey was ready to embark on reconciliation and cooperation with the National Socialists.⁷ One of the chief reasons was that he considered Marxism alone to be the real enemy, and so he did not want to postpone coming to terms with the National Socialists any longer. I think that this conversation, which was obviously intended to preface further developments, should be taken more seriously than Herr Fey's previous efforts in this direction, which were more a matter of tactics. This the more so since Fey's position has latterly changed so much that it seems quite likely that he is intending to go over, in good time, to the National Socialists to whom he used to be violently opposed. That he should be making attempts in accord with the Italian Legation here seems to emerge from the above-mentioned fact that, whereas the Italians here have previously observed great caution with me, their Chargé d'Affaires, Grazzi, should of his own accord have named Herr Fey to me as a possible head of a new Government. Grazzi may also have been proceeding from the assumption that the contacts between Fey and the National Socialists here might make Fey appear acceptable to us.

It is possible that the attitude at least of the Italians here has been affected by the fact that the Socialist Schutzbund,¹² crushed last February, has been drastically reorganized on a Communist basis and fully armed—they are getting arms from Czechoslovakia too—by people who are firmly resolved on a fresh struggle. A further factor may be that Dollfuss is trying to reorganize a Social Democratic party behind an innocuous façade but strongly opposed to the new Schutzbund, under the leadership of Renner. This party, with Franco-Czech aid, he could, if need be, also play off against the Italians should they support him no longer or insufficiently. At any rate I have seen to it that the Italians and Hungarians are kept informed about these Socialist intrigues.

¹² lit. "Defence League", the para-military organization of the Social Democrat Party.

I have learned in *strict confidence*, which I beg you to respect, that Herr Fey's move, which I have described above, is supposed to have been reported to Munich already. The key authorities there are said to have agreed in principle, but on condition that these negotiations are only conducted with them. Since this is apparently just what Herr Fey does not wish to do, as he would like to establish contact with the authorities in Berlin, all the possibilities which I have just described, including a possible understanding with the Italians may again come to nothing should it be felt that a solution of this kind might be considered.

Yours etc.,

RIETH

No. 113

6695/H100748-52

State Secretary Bülow to Ambassador Köster

PERSONAL

BERLIN, July 24, 1934.

DEAR KÖSTER: In this letter I should like again to touch briefly on your last conversation with M. Barthou.¹ As you know, our policy is first of all to avoid defining our attitude as far as possible, and to begin by setting forth the separate problems involved in this draft of an Eastern Pact and appraising them critically from the point of view of whether they are politically feasible and expedient. We wish to keep the discussion of all the problems presented by the Eastern Pact fluid, leaving any possible final verdict open. It is only natural that the French will attempt to evade these tactics and obtain a definite expression of views on certain concrete questions. Barthou has already tried to do this in the question of Russia's being accepted into the Locarno system. What you said to Barthou is factually quite correct and corresponds to our views. However, had it been possible, I should have preferred you to have avoided saying anything precise just now, in order not to give Barthou an easy chance of representing to other Governments for tactical reasons our rejection of one point in the terms of the Pact as a rejection of the whole conception of an Eastern Pact. He will certainly play these cards with the Russians and he will also assuredly do his best to exploit your views on the Comintern accordingly. In the same way the French will try to suggest to the Russians that the German attitude on the question of the Eastern Pact is dictated primarily by a deliberately anti-Russian attitude on the part of the German Government. There is no reason why we should further such efforts.

As I have already said and as has been emphasized in our despatches,

¹ See document No. 101.

it is in our interest to spin out the discussions, taking advantage of the present somewhat obscure situation. From this point of view we are also not at all averse to being still without an authentic text of the treaty. The reference to our not yet having seen these texts was merely intended to protect us against criticism of our dilatory attitude. Indeed we should not think of insisting at all on being furnished with the texts.

May I also make the following brief comments on some separate points in your conversation with Barthou:

The argument that our military armaments are quite inadequate plays a decisive part in the question of our participating in a mutual assistance pact (and the form which such participation might take). This is a most valuable argument, so we must be careful not to impair its full force. That is why I too believe that when discussing our military potential we should avoid mentioning offensive weapons, and that we must not let it appear as though we wish to avail ourselves of the negotiations on an Eastern Pact for the purpose of promoting our claims to such weapons and, in general, of increasing our military demands. Our position on the question of disarmament, namely equality of rights subject to a modest defensive armament, as required by Germany's vital interests, and the disarmament of other nations, must not be overlooked.

As you have already been informed by telegram,² I am not in favour of your suggestion of introducing into the discussions the question of the employment of coloured troops. It does not seem to me that the time is yet ripe for bringing up arguments of this kind when major and fundamental political questions are up for discussion.

Finally a few words about the Lithuanian question. Although your arguments are absolutely sound, nevertheless there is a danger in associating the Memel question too closely with that of the Eastern Pact. What we had in mind when making our *démarche* in the Memel question³ was to achieve results as quickly as possible, whereas, as I have already said, we are in no hurry whatever over the question of the Eastern Pact. That is why it does not appear desirable to treat both questions *pari passu*.

On the other hand the subjects I would recommend you to bring up in conversation, should opportunity offer, are equality of rights, at Locarno nine years ago, in December 1932 and now. Furthermore the still unborn Mediterranean pact and the question of whether France is also proposing to assume a special protective rôle in this pact as in the Eastern Pact, and finally non-participation by Britain (and Italy) even in the consultations (according to the draft of the Eastern Pact available here).

² No. 384 of July 21; see document No. 101, footnote 15.

³ See document No. 67, and footnote 2 thereto.

You will be fully acquainted with the conversations held in the other capitals from the reports from our Embassies and Legations. We would appear to have succeeded in introducing a certain amount of clarity into this problem and thus making the persons responsible rather more aware of the negative aspects of the project.

With cordial greetings and good wishes,

Yours ever,

B[ÜLOW]

[EDITORS' NOTE: In the documents dealing with the Saar problem there are frequent references to some of the relevant articles of the Treaty of Versailles. For the convenience of the reader the articles mainly concerned are reproduced below:

Extracts from the Treaty of Versailles, Part III

Section III—Left Bank of the Rhine (Arts. 42–44)

Art. 42

Germany is forbidden to maintain or construct any fortifications either on the left bank of the Rhine or on the right bank to the west of a line drawn 50 kilometres to the east of the Rhine.

Art. 43

In the area defined above the maintenance and the assembly of armed forces, either permanently or temporarily, and military manœuvres of any kind, as well as the upkeep of all permanent works for mobilization, are in the same way forbidden.

Section IV—Saar Basin (Arts. 45–50)

Art. 48

The boundaries of the territory of the Saar Basin, as dealt with in the present stipulations, will be fixed as follows:

On the south and south-west: by the frontier of France as fixed by the present Treaty.

On the north-west and north: by a line following the northern administrative boundary of the *Kreis* of Merzig from the point where it leaves the French frontier to the point where it meets the administrative boundary separating the commune of Saarhölzbach from the commune of Britten; following this communal boundary southwards and reaching the administrative boundary of the canton of Merzig so as to include in the territory of the Saar Basin the canton of Mettlach, with the exception of the commune of Britten; following successively the northern administrative boundaries of the cantons of Merzig and Haustadt, which are incorporated in the aforesaid Saar Basin, then successively the administrative boundaries separating the *Kreise* of Sarrelouis, Ottweiler and Saint-Wendel from the *Kreise* of Merzig, Trèves (Trier) and the Principality of Birkenfeld as far as a point

situated about 500 metres north of the village of Furschweiler (viz., the highest point of the Metzelberg).

On the north-east and east: from the last point defined above to a point about $3\frac{1}{2}$ kilometres east-north-east of Saint-Wendel:

a line to be fixed on the ground passing east of Furschweiler, west of Roschberg, east of points 418, 329 (south of Roschberg), west of Leitersweiler, north-east of point 464, and following the line of the crest southwards to its junction with the administrative boundary of the *Kreis* of Kusel;

thence in a southerly direction the boundary of the *Kreis* of Kusel, then the boundary of the *Kreis* of Homburg towards the south-south-east to a point situated about 1,000 metres west of Dunzweiler;

thence to a point about 1 kilometre south of Hornbach:

a line to be fixed on the ground passing through point 424 (about 1,000 metres south-east of Dunzweiler), point 363 (Fuchs-Berg), point 322 (south-west of Waldmohr), then east of Jägersburg and Erbach, then encircling Homburg, passing through the points 361 (about $2\frac{1}{2}$ kilometres north-east by east of that town), 342 (about 2 kilometres south-east of that town), 347 (Schreiners-Berg), 356, 350 (about $1\frac{1}{2}$ kilometres south-east of Schwarzenbach), then passing east of Einöd, south-east of points 322 and 333, about 2 kilometres east of Webenheim, about 2 kilometres east of Mimbach, passing east of the plateau which is traversed by the road from Mimbach to Böckweiler (so as to include this road in the territory of the Saar Basin), passing immediately north of the junction of the roads from Böckweiler and Altheim situated about 2 kilometres north of Altheim, then passing south of Ringweilerhof and north of point 322, rejoining the frontier of France at the angle which it makes about 1 kilometre south of Hornbach (see Map No. 2 scale 1/100,000 annexed to the present Treaty).
[Not reproduced.]

A Commission composed of five members, one appointed by France, one by Germany, and three by the Council of the League of Nations, which will select nationals of other Powers, will be constituted within fifteen days from the coming into force of the present Treaty, to trace on the spot the frontier line described above.

In those parts of the preceding line which do not coincide with administrative boundaries, the Commission will endeavour to keep to the line indicated, while taking into consideration, so far as is possible, local economic interests and existing communal boundaries.

The decisions of this Commission will be taken by a majority, and will be binding on the parties concerned.

Art. 49

Germany renounces in favour of the League of Nations, in the capacity of trustee, the government of the territory defined above.

At the end of fifteen years from the coming into force of the present Treaty the inhabitants of the said territory shall be called upon to indicate the sovereignty under which they desire to be placed.

Art. 50

The stipulations under which the cession of the mines in the Saar Basin shall be carried out, together with the measures intended to guarantee the rights and the well-being of the inhabitants and the government of the territory, as well as the conditions in accordance with which the plebiscite hereinbefore provided for is to be made, are laid down in the Annex hereto. This Annex shall be considered as an integral part of the present Treaty, and Germany declares her adherence to it.

Extracts from Annex to Art. 50 [Saar Statute]

Chapter II—Government of the Territory of the Saar Basin (Paras. 16–33)

Para. 27

The present stipulations will not affect the existing nationality of the inhabitants of the territory of the Saar Basin.

No hindrance shall be placed in the way of those who wish to acquire a different nationality, but in such case the acquisition of the new nationality will involve the loss of any other.

Chapter III—Plebiscite (Paras. 34–40)

Para. 34

At the termination of a period of fifteen years from the coming into force of the present Treaty, the population of the territory of the Saar Basin will be called upon to indicate their desires in the following manner:

A vote will take place by communes or districts, on the three following alternatives: (a) maintenance of the régime established by the present Treaty and by this Annex; (b) union with France; (c) union with Germany.

All persons, without distinction of sex, more than twenty years old at the date of the voting, resident in the territory at the date of the signature of the present Treaty, will have the right to vote.

The other conditions, methods and the date of the voting shall be fixed by the Council of the League of Nations in such a way as to secure the freedom, secrecy and trustworthiness of the voting.

Para. 35

The League of Nations shall decide on the sovereignty under which the territory is to be placed, taking into account the wishes of the inhabitants as expressed by the voting:

(a) If, for the whole or part of the territory, the League of Nations decides in favour of the maintenance of the régime established by the present Treaty and this Annex, Germany hereby agrees to make such renunciation of her sovereignty in favour of the League of Nations as the latter shall deem necessary. It will be the duty of the League of Nations to take appropriate steps to adapt the régime definitively adopted to the permanent welfare of the territory and the general interest;

(b) If, for the whole or part of the territory, the League of Nations decides in favour of union with France, Germany hereby agrees to cede to France in accordance with the decision of the League of Nations all rights and title over the territory specified by the League;

(c) If, for the whole or part of the territory, the League of Nations decides in favour of union with Germany, it will be the duty of the League of Nations to cause the German Government to be re-established in the government of the territory specified by the League.

Para. 36

If the League of Nations decides in favour of the union of the whole or part of the territory of the Saar Basin with Germany, France's rights of ownership in the mines situated in such part of the territory will be repurchased by Germany in their entirety at a price payable in gold. The price to be paid will be fixed by three experts, one nominated by Germany, one by France, and one, who shall be neither a Frenchman nor a German, by the Council of the League of Nations; the decision of the experts will be given by a majority.

The obligation of Germany to make such payment shall be taken into account by the Reparation Commission, and for the purpose of this payment Germany may create a prior charge upon her assets or revenues upon such detailed terms as shall be agreed to by the Reparation Commission.

If, nevertheless, Germany after a period of one year from the date on which the payment becomes due shall not have effected the said payment, the Reparation Commission shall do so in accordance with such instructions as may be given by the League of Nations, and, if necessary, by liquidating that part of the mines which is in question.

Para. 37

If, in consequence of the repurchase provided for in paragraph 36, the ownership of the mines or any part of them is transferred to Germany, the French State and French nationals shall have the right to purchase such amount of coal of the Saar Basin as their industrial and domestic needs are found at that time to require. An equitable arrangement regarding amounts of coal, duration of contract, and prices will be fixed in due time by the Council of the League of Nations.

Para. 38

It is understood that France and Germany may, by special agreements concluded before the time fixed for the payment of the price for the repurchase of the mines, modify the provisions of paragraphs 36 and 37.

Para. 39

The Council of the League of Nations shall make such provisions as may be necessary for the establishment of the régime which is to take effect after the decisions of the League of Nations mentioned in paragraph 35 have become operative, including an equitable apportionment of any obligations of the Government of the territory of the Saar Basin arising from loans raised by the Commission or from other causes.

From the coming into force of the new régime, the powers of the Governing Commission will terminate, except in the case provided for in paragraph 35(a).

Para. 40

In all matters dealt with in the present Annex, the decision of the Council of the League of Nations will be taken by a majority.

On January 20, 1934, the Council of the League had set up a Committee of Three, under the chairmanship of Baron Aloisi, *rapporteur* on Saar matters, to prepare a report on the various problems raised by the provisions of the Treaty of Versailles concerning the plebiscite, with any recommendations that might be required for their execution. See volume II of this Series.]

No. 114

7894/E572866-69

*The Executive Director of the Saar-Verein*¹ to
Senior Counsellor Voigt

BERLIN, July 24, 1934.

Received July 27.

II SG.4515.

DEAR GEHEIMRAT: With reference to our telephone conversation²

¹ An organization founded in July 1919 by Theodor Vogel, a Saar journalist expelled by the French authorities, to unite all Saarlanders living in Germany and work for reunion with the Reich. It received a subsidy from the German Government and issued a fortnightly journal, the *Saar-Freund*.

² No record has been found.

and our letter of July 9,³ we send you herewith confidentially for your information copy of a letter from Kommerzienrat Dr. Hermann Röchling.

Yours etc.,

Office of the Saar-Verein
TH. VOGEL

[Enclosure]

VÖLKLINGEN, July 13, 1934.

DEAR HERR VOGEL: I have received your kind letter of July 9³ and hasten to reply that I have rather serious objections to this type of paper being circulated here as a brief for discussion. If a matter like this is confined to a very restricted circle, not a great deal can be said against it. Nevertheless, remarks such as that on page eleven, first paragraph, that there are grounds for leaving the mines in French ownership, are not without danger, for there are no such grounds at all. There is no authoritative quarter whatsoever which is in any way toying with such an idea. It is further maintained on page ten that any instructions should be issued by the League of Nations and not by the Council of the League of Nations. That is not correct. There are a number of places in the Versailles Treaty where sometimes the Council of the League of Nations is mentioned and sometimes the League of Nations, but ultimately the Council of the League of Nations has always been the deciding body.

As far as the question of payment for the coal mines is concerned the deciding factor for the moment is, of course, what price could be considered. All industrial property has greatly depreciated since 1920 and especially coal mines. This means that, even if coal mines have been kept in good condition and technical progress has in no way been neglected, the present-day industrial value is less than on January 10, 1920. This also applies to the Saar coal mines. The extent of the depreciation must be ascertained through careful investigation.

This second [*sic?* A further] depreciation, which is also very substantial, is due to the fact that the French State has not made the necessary investments to maintain the coal mines at their economic level and, furthermore, that a number of repairs and improvements which, for example, have been made to various coal washing installations were so badly executed that the mines did not show any economic improvement. Consequently, after reintegration, large sums will have

³ Not printed (7894/E572818); this enclosed a letter of July 9 from Vogel to Röchling (7894/E572819-32) forwarding a memorandum by Dr. Karl Mehrmann, director of the Bund Deutscher Westen, entitled "The Saar question after the plebiscite", and enquiring whether Röchling considered it advisable for such a memorandum to be discussed at a meeting of the Bund. This "Society of German Westerners" had been founded in May 1933 to foster cooperation between various organizations interested in or conducting propaganda about questions of Germany's Western frontiers.

to be invested to put the coal mines into good repair. How large these sums will be we do not know at the moment, but it is probable that they will far exceed fifty million marks. For the maintenance of present production alone approximately seventy million marks will probably be required, which means that this amount too will have to be deducted from the repurchase price. Finally, there can be no doubt that, due to inadequate industrial repairs and improvements, heavy losses will continue to be incurred in the coal mines until their productivity is restored as a result of technical improvements. This means that these losses would also have to be deducted from the repurchase price. There are therefore a great many reasons by which it can be clearly established that the repurchase price will never be in the region of 300 million marks but very much below this.

Otherwise Dr. Mehrmann's work is a painstaking study; no doubt its circulation will be very restricted.

Yours etc.,

H. RÖCHLING

No. 115

3086/617252-58

Note by the State Secretary

BERLIN, July 26, 1934.

1) At 9:45 p.m. on July 25, Minister Rieth in Vienna telephoned and told me that Federal Chancellor Dollfuss was dead. The *Putsch* staged by persons who had forced their way into the Federal Chancellery had been quelled.¹ An agreement had been made between the members of the Government held prisoner in the Office of the Federal Chancellor and the conspirators that the latter were to be allowed free passage to the German frontier. The ringleader of the conspirators and Federal Minister Fey had telephoned Rieth and asked him to come to the Office of the Federal Chancellor. As far as I understood Rieth, who was still very agitated, the point at the moment is that Rieth was to act as witness to an agreement already concluded, as the rebels feared that otherwise they would be murdered on the way. Rieth said that he had particularly obtained confirmation from Federal Minister Fey that the Federal Government desired him to take note of this agreement. Fey gave as the reason for his attitude that he urgently wished to avoid further bloodshed. Rieth had received the same explanation

¹ In a memorandum of July 25 (3086/617246) Heinburg recorded that Minister Rieth had telephoned from Vienna at 2:30 p.m. to say that a *Putsch* was in progress there and that Dollfuss, Fey and Karwinsky were being held prisoner in the Federal Chancellery. In another memorandum of the same date (3086/617247) Heinburg recorded that this report had been confirmed by DNB on enquiry being made to them at 4 p.m. A further report telephoned by Rieth, at 5 p.m., to the effect that the situation in the Federal Chancellery was unchanged and that Dollfuss had allegedly been wounded and had resigned, was recorded by Heinburg in another memorandum of July 25 (3086/617248-49).

from Federal Minister Neustädter-Stürmer. He stressed repeatedly that he had found an agreement already concluded between the rebels and the Government. He was telephoning to say that the rebels were already on the way, whether by rail or road he did not know, nor at which point the German frontier would be crossed, but presumably at Passau. He requested me to inform the frontier authorities. He added further that this was the first telephone communication with Germany which had been permitted and that Federal Minister Fey had obtained it for him. As I was certain that the conversation was being tapped by the Austrians, I made no criticism or comment.

2) Afterwards I tried to get in touch with the Reich Minister of the Interior but could not reach anybody.

3) I then spoke to the Secret State Police, informed one of the officials there of the substance of the Vienna conversation and asked him to try and advise the frontier authorities.

4) At 10 p.m. the Reich Chancellor rang me up from Bayreuth and asked (apparently knowing about my telephone conversation) what news I had from Rieth in Vienna. He said at once that Rieth should have had nothing to do with the transport of the rebels to the German frontier, nor with playing the part of a mediator at all. I, for my part, pointed out that Rieth had emphasized that he had found an agreement already concluded and, according to him, had merely been requested by the Austrian Government authorities to be a witness to this agreement, since the rebels had demanded it. The Reich Chancellor said he would reflect on what he would do with the rebels who had been sent out of the country; he would in any case have them immediately taken into protective custody and he spoke of possibly expelling them again. In reply to my question the Reich Chancellor confirmed that he would take all further action from Bayreuth about notifying the frontier authorities.

During my conversation with Rieth and the Reich Chancellor, the Austrian Ministers Fey and Schuschnigg made statements about the situation which I was, however, unable to follow, since I was almost uninterruptedly on the telephone.

5) Afterwards, at 10:06 p.m., the Landesleitung Austria rang up on behalf of Habicht to ask what news I had.

6) At 10:15 p.m. I rang up the Pro[paganda] Mi[nistry] (Herr Stephan) and asked him to see to it that the German wireless stopped broadcasting its version of the Austrian events, which no longer corresponded to the facts; this Herr Stephan promised to do.

7) At 10:30 p.m. the Landesleitung Austria rang up again on behalf of Habicht to ask at which point the expelled rebels would reach the frontier. I could not say, since Rieth had only told me probably at Passau.

8) At 10:45 p.m. the Secret State Police rang me up to say that

although they had established contact with the frontier authorities they were reluctant to assume responsibility for any further measures. I replied that my request was superseded since I had meanwhile spoken to the Reich Chancellor and all further action would be taken from Bayreuth.

9) Immediately afterwards, having waited for a long time in vain, I managed to contact the Foreign Minister and I informed him of all I knew of the events in Vienna. We both agreed at once that Rieth's action was unwise. He should neither have gone to the Federal Chancellery himself before ascertaining through one of his officials what it was all about, nor should he have agreed to the conspirators being sent to Germany, without first obtaining the sanction of the Reich Government.

I then raised the question of the necessary expressions of condolence. We agreed it should be suggested to the Reich President that a telegram should be sent to Federal President Miklas.²

10) At 11 p.m. the Reich Chancellor rang up again and asked whether the agreement with the conspirators was still valid, as Federal Minister Schuschnigg had said in his broadcast that the condition was that there should be no further deaths. But, according to the same broadcast, Federal Chancellor Dollfuss was dead. I told the Reich Chancellor I had understood from Herr Rieth that what was meant was: no further deaths. Rieth had told me more than once that he had been urged to take note of the agreement for the reason that "further bloodshed was to be avoided". The Reich Chancellor replied that he would have the expelled conspirators taken into protective custody and transferred to a concentration camp. I, for my part, raised the question of a telegram of condolence from the Reich President to Federal President Miklas. The Reich Chancellor agreed. I promised to inform him beforehand of the wording.

11) Subsequently, the Landesleitung Austria rang up again. Herr Megerle³ was on the telephone and asked whether I wished to issue directives to the press on how to handle the events, as this was very necessary. I said that I myself was not in a position to do so, as the Reich Chancellor had made Munich the centre for directing the press treatment of the events in Austria.

12) At 11:15 p.m. the Landesleitung rang up again and once again Herr Megerle asked what news I had from abroad, especially from Rome. I referred him to the Propaganda Ministry, as our cypher

² Telegrams of condolence were sent by Hindenburg to Miklas, and by Neurath, in the name of the German Government, to the Austrian Government on July 26 (3086/617265; 263).

³ Dr. Karl Megerle was a journalist, specializing in Austrian affairs; he joined the NSDAP in 1933, was appointed Referent in the Ministry of Propaganda on Oct. 8, 1934, and transferred, on Hitler's orders, to the Legation in Vienna as Press Attaché with effect from Dec. 1.

telegrams could not be available until the next morning at the earliest.

13) At 11:55 p.m. Herr Stephan rang up from the Propaganda Ministry and asked what the position was regarding the deportees, safe conduct etc. After my conversation he had himself spoken to Rieth, so I could tell him nothing new. I left it to him to telephone Rieth in Vienna. I, for my part, asked whether arrangements for treatment by the press had been made in Munich. He confirmed that instructions were on the way and apparently all necessary steps had been taken.

14) At 1 a.m. [on July 26] the Propaganda Ministry rang up again and asked for the Foreign Minister's telephone number for Reich Minister Goebbels. In the meantime, the Propaganda Ministry had been in touch with Rieth again and had learned that the rebels had been expelled and that they were apparently on their way to Passau.

15) At 1:10 a.m. the Foreign Minister rang up and said he had twice spoken to the Reich Chancellor on the telephone. According to the latest official reports from Vienna, the conspirators had asked Rieth to intervene and Rieth had acceded to this request. This was quite inadmissible and he had therefore arranged with the Reich Chancellor to recall Rieth at once and to announce officially that this was being done because of his intervention in the happenings in Vienna. The Reich Chancellor had moreover confirmed that he agreed to a telegram being sent to Federal President Miklas by the Reich President.

16) At 1:20 a.m. I rang Herr Stephan in the Pro[paganda] Mi[nistry] and gave him a statement for DNB which was to read: The Reich Government have recalled Dr. Rieth, the Minister in Vienna, as they disapprove of his unauthorized intervention in today's happenings.

17) At 1:30 a.m. the Foreign Minister rang up again and said that he had spoken to Reich Minister Goebbels and that the latter had spoken to the Reich Chancellor. There would be an official announcement to the effect that the Reich Government did not approve of the agreement with the conspirators in respect of their deportation to Germany, did not regard it as binding and would immediately arrest the persons expelled. Further, there would be an announcement to the effect that Rieth had been recalled because he had agreed to the expulsion of the rebels without referring the matter to his Government, and another announcement to the effect that, owing to the sad events in Austria, the Reich Chancellor had cut short his visit to Bayreuth. Finally, it had been agreed that the Foreign Minister, in the name of the Reich Government, would offer his condolences to the Austrian Government (in addition to the Reich President's telegram to Federal President Miklas).

18) At 1:35 a.m. I again rang up Herr Stephan in the Pro[paganda] Mi[nistry] and told him that my text concerning Rieth's recall no longer applied, as another similar but more detailed text would be

issued by Reich Minister Goebbels. Herr Stephan only knew that Reich Minister Goebbels had sent DNB various announcements, the text of which was not yet known to him, direct from Bayreuth.

Furthermore, we agreed on a communiqué regarding the telegram of condolence from Reich Minister von Neurath to the Federal Government.

19) At 1:40 a.m. I rang up Minister Rieth, who was still dictating telegrams to Berlin,⁴ and informed him that the Reich Government disapproved of his intervention in the happenings in Vienna and were recalling him. He must come to Berlin at once to report. The Minister asked whether the evening train on Thursday⁵ at 7 p.m. would be soon enough. Even if he took the morning train, he could not be in Berlin before Thursday evening. I told him to come as quickly as possible; I would have to leave it to him to decide by which train; he should also consider whether he should not travel by air.

BÜLOW

⁴ See document No. 119.

⁵ July 26.

No. 116

8638/E604967-71¹

The Foreign Ministry to the Reich Ministry of the Interior

MOST URGENT

BERLIN, July 25, 1934.

Drafting Officer: Counsellor of Legation Heinburg. zu II Oe. 1812.²

3 Enclosures³

Action this day.

With reference to our communication II Oe. 1279 of May 24⁴ and to your communication I 2030 A/24.5 of June 14.⁵

I have the honour to enclose herewith a copy of a memorandum of July 21² which the Austrian Chargé d'Affaires here⁶ has presented and which attributes various bomb outrages perpetrated in the Tyrol near the Bavarian frontier to three Austrian Legionaries whom it names demanding that they be most severely punished.

When presenting the memorandum to the Foreign Ministry, the Chargé d'Affaires made the following statement on behalf of his Government:

¹ The initialled draft (8638/E604956-60) and the fair copy (8638/E604961-66) are both badly damaged. The transcription used here has been prepared in order to prevent the loss of any of the text.

² Not printed (6112/E453561-62).

³ Not printed. These enclosures are: (i) the Austrian memorandum of July 21, 1934, (see footnote 2 above); (ii) Rome telegram No. 163 of July 20, 1934 (8638/E604972/2); (iii) an extract from Rome report No. I 853 of July 19, 1934 (6112/E453558-60).

⁴ See document No. 3, footnote 1.

⁵ Document No. 3.

⁶ Counsellor of Legation R. Seemann.

"He was instructed to add to the statements contained in the memorandum the request that the so-called Austrian Legion, which was undoubtedly responsible for most of the acts of terrorism committed in the immediate vicinity of the Austrian frontier and which, moreover, was engaged in intensive smuggling of explosives and propaganda material, be at length moved away from the Austrian-Bavarian frontier in accordance with the repeated promises made by the Reich Government."⁷

In the above-mentioned communication of May 24, the Foreign Ministry has already drawn attention to the conditions prevailing on the Bavarian-Austrian frontier, of which the Reich Ministry of the Interior also takes a serious view. The situation has now been aggravated by the fact that following the bomb outrages committed in Austria, it is being asserted in various quarters that the explosives used in the outrages have been smuggled into Austria from Germany. Apart from the incidents mentioned in the enclosed Austrian memorandum, I would draw special attention to the case which has meantime occurred of smuggled explosives near Rohrschach, details of which you may obtain from my today's communication No. II Oe. 1844.⁸ Furthermore, reference is made in the official Austrian reports of July 21 and 22, also published by the press, to the German origin of explosives used in other incidents. For example, three young fellows from the village of Rauris are said to have stated at the time of their arrest that they had received a number of hand grenades and 38 kilograms of ammonal of German origin from three Austrian Legionaries in a mountain hut on the Bavarian frontier. Moreover, stick grenades and some other small arms of German manufacture are said to have been found in the house of a Communist who, after his arrest, seriously wounded a gendarme by a pistol shot and is thought to have fled to Germany. Then, on July 22, various Austrian newspapers published a report that numerous tin boxes containing friction igniters for stick grenades had been found amongst confiscated explosives in Salzburg and that it could be seen from a mark on the inside of the lids of these boxes that they originated from Reichswehr Ministry stocks.

During the past few days the foreign press, led by the Italian press, has occupied itself extensively with the terrorist outrages in Austria and in connexion with this has deliberately launched a concerted attack against Germany, who is being held responsible for these acts of terrorism. Particularly noteworthy in this respect are the comments of newspapers close to the Italian Government, whose vehemence and enmity towards Germany can hardly be excelled. Ambassador von Hassell in Rome has also referred to the increasing ill-feeling in Italy

⁷ This paragraph is quoted from a note by Heinburg, II Oe. 1812 II of July 23 (6112/E453563), recording the presentation of the Austrian memorandum of July 21.

⁸ See document No. 109, footnote 17.

towards Germany, and has drawn attention to the possibility of serious repercussions on us which might result from these terrorist activities.

Our attitude so far to the events in Austria has been that these quarrels are an internal Austrian affair which does not concern the Reich Government and that the attacks launched inside Austria against the Dollfuss system must be attributed to the Dollfuss Government themselves and to them only.

The latest attacks on Germany, however, which are growing steadily more severe and which, according to reports to hand, must be expected to be taken up by other foreign countries in the near future, make it urgently advisable for all authorities here to realize the increasing gravity of the situation and the international dangers arising from it. It is essential to avoid all action that might be laid to the charge of the Reich Government or the Party leaders as constituting interference in the affairs of a neighbour State in violation of international law. I request you, therefore, to see to it, in consultation with the competent Party authorities, that no actions or measures are taken which could be used by outsiders to associate Germany with the bomb outrages in Austria.

Copies of this communication are being sent to the Deputy of the Führer of the NSDAP,⁹ the Bavarian State Chancellery in Munich, the Reich Ministry for Public Enlightenment and Propaganda and the Landesleitung Austria (Landesinspekteur Habicht) in Munich.¹⁰

By order:
BÜLOW

⁹ i.e., Rudolf Hess.

¹⁰ According to the Journal, a copy was also sent to the Legation in Vienna on July 26. In a memorandum of Aug. 23, 1934 (8648/E605605), Hüffer, of Department II, recorded that despite the Foreign Ministry's repeated reminders to the Ministry of the Interior and the Bavarian authorities, no satisfactory explanation had been given of, nor an end put to, bomb outrages and frontier incidents, and that an interdepartmental meeting had therefore been called by the Minister of the Interior, Frick, for Aug. 24 to discuss the problem. By express letter, II Oe. 2512 of Sept. 13 (8648/E605606), the Foreign Ministry drew the attention of the Ministry of the Interior to the fact that this meeting had been postponed and urged that it should now take place.

No. 117

4620/E200441-43

Ambassador Hassell to State Secretary Bülow

ROME, July 25, 1934.

DEAR HERR VON BÜLOW: Thank you very much for your extremely interesting letter of July 23.¹ I have just made a short report about

¹ Not printed (6695/H100722-27). In this letter Bülow commented on Hassell's conversations with Aloisi and Mussolini (see document No. 103 and footnote 6 thereto) and informed him of Hoesch's conversation in London (see document No. 102) and Köster's in Paris (see document No. 101).

the Italian attitude towards us—I 875 of July 25²—which should be despatched by courier tomorrow. I have also thought it right to pass on by telegram³ a suggestion on the Austrian question which I have received from an authoritative source, in order that no possibility should be neglected of warding off the dangers to us which could arise from the forthcoming Mussolini-Dollfuss conversation.

With regard to the Eastern Pact, I would at present only like briefly to comment on the question of equality of rights. You will perhaps remember from my telegrams⁴ that in respect of the Italian suggestions on this matter I had already indicated the difficulty of determining what was to be understood by equality of rights in that event. As I hear, they are still dealing with this point here and have, quite logically, come to the conclusion that when dealing with this question we shall presumably demand equality of rights *sans phrase*, i.e., full liberty to develop our armaments, in exactly the same way as the other Powers participating, to correspond to the commitments which we are to assume. As long as it is a matter of mere skirmishes as a preliminary to the Eastern Pact, this outcome of the tactics which Mussolini and Aloisi themselves proposed will probably not worry the Italians particularly; I have, in fact, not yet observed any sign in any of the gentlemen here that the Italians have been infected by the British objections to our rearmament. On the other hand, only the day before yesterday, our confidant on these matters noticed some uncertainty at a discussion at the Air Ministry about German-Italian cooperation in this sphere (ordering of material, courses); it was the first time for some while that he had observed this uncertainty, the last time he did so being several months ago. The obvious deterioration of German-Italian relations because of the Austrian question was pointed out and he was given to understand that doubts had arisen as to whether cooperation could be continued if this unfavourable development were not somehow arrested. On the other hand General Fischer⁵ still had the impression that the military authorities definitely wanted to maintain relations of trust with Berlin. Moreover, the belief prevails here, even in political circles, that the Reichswehr, which is thought to have become more influential since the events of June 30,⁶ is an element which will press for the link between Berlin and Rome to be maintained, whatever happens.

July 26, 1934.

I had got this far with this letter, and was going to finish it after I had had a conversation with Suvich, when the news from Vienna

² Document No. 118.

³ Marginal note in Hassell's handwriting: "Not despatched."

⁴ Presumably telegram No. 160 of July 19 (see document No. 103, footnote 2) and telegram No. 165 of July 20 (document No. 103).

⁵ Maj. Gen. H. Fischer, German Military Attaché in Rome.

⁶ i.e., the Röhm purge; see Editors' Note, p. 117, and document No. 55.

arrived.⁷ I need not describe to you in detail the quite disastrous effect which events in Vienna have had here. Suvich has just telephoned to say that unfortunately he cannot receive me today. I am sending this letter off as it is. *Dum spiro spero.*

With cordial greetings,
Ever yours.

HASSELL

⁷ i.e., the assassination of Dollfuss; see documents Nos. 115 and 119.

No. 118

8040/E578247-50

The Ambassador in Italy to the Foreign Ministry

I 875

ROME, July 25, 1934.

Received July 28.

II It. 2020.

POLITICAL REPORT

Subject: The present situation in Italian foreign policy.

Italian foreign policy is at present passing through a crisis which has been developing for some considerable time. This crisis is affecting foreign policy as a whole and relations with Germany in particular. German-Italian relations, which have undergone violent fluctuations during the past eighteen months due chiefly to the Austrian problem as well as to the familiar symptoms of rivalry and misunderstandings, achieved a kind of quiescence through the Venice meeting. On the basis of personal contact and agreement on the broad question of world politics, and above all on the questions of disarmament and the Eastern Pact, an opportunity was created for sober but nevertheless confident and practical cooperation. The only divergence of opinion, namely regarding the Austrian problem, was eliminated as an obstacle by a thorough discussion of each other's point of view, by acknowledging that the time for agreement had not yet arrived, but by nevertheless bearing such agreement in mind for the future, and at the same time emphasizing that this divergence was in no way to prejudice cooperation on all other questions. It is evident that this result was not only gratifying from the German point of view but was at the same time likely to strengthen Italy's international position.

The events of June 30 have not actually destroyed the outcome of Venice but have, so to speak, buried it, and I firmly believe in the possibility of resuscitating it. It must, however, be taken for granted that for the moment this is practically out of the question. The reason lies in the first place in the scepticism with which the greater part of public opinion all over the world and in Italy also, and particularly in

official quarters, regards the events of June 30 and the internal and foreign policy of Germany arising from these events. Owing partly to the events themselves and partly to their repercussions abroad, it is felt in Italy that Germany's position has become weakened and unstable. It would appear from Mussolini's strict instructions to the press, banning all criticism of events in Germany and of the Führer's speech,¹ that he has been inclined to avoid this damage as far and for as long as possible. Consequently there is probably not nearly so much bewilderment in Italy regarding Germany as there is in other countries. Even so, it would be a mistake to shut one's eyes to the fact that criticism, doubt and anxiety are the keynote of the Italian attitude too. If, copying Britain's example, Italy has changed her attitude to the French pact plans in the familiar manner, this is doubtless to a large extent due to this circumstance.

Furthermore, Italy's attitude to Germany has been very unfavourably influenced by the latest phase of the Austrian problem,² a fact not altogether unconnected with the first point. Frauenfeld's speeches and the intensified terrorism in Austria, which is said to be organized entirely or in part by the Reich, have caused very great irritation here, and the relevant newspaper articles with which you are familiar are not only the expression of a fairly general state of mind, but have undoubtedly been inspired by people at the top. The same may be said of the argument, set forth in the press during the past few days, that Italy is in no way obliged to fight for German interests, but is pursuing an independent policy which neither favours nor harms anyone.

The truth is, of course, that, with regard to the disarmament and other questions, Italy has never fought only for Germany, but has acted in the interests of her own vital needs or at least for her own advantage. Should Germany cease to matter to Italy, or should she become less important, the disadvantage to Italy's own policy would be immediate and unmistakable. No one realizes this more than Mussolini, and I think that he will not lose sight for a moment of the goal of effective concerted action with Germany. For the present, however, the political situation, as outlined in the foregoing, gives Italian foreign policy the stamp of a kind of resignation as regards Europe. The reason why the Franco-Russian Eastern Pact so suddenly seemed welcome to the Italians was precisely because, like Britain, they saw in it an opportunity of extricating themselves somewhat from the entanglement of European politics, made worse by German-French opposition, and of stifling the French clamour for security without any cost to themselves. They hoped also, if possible,

¹ In the Reichstag on July 13, 1934. See documents No. 55, footnote 3, and No. 72, footnote 1.

² Marginal note: "Written before the events of July 25."

to avoid a further armaments race, to obtain release from the inconvenient burden of fighting for German equality of rights by cleverly inserting this concept into the Eastern Pact, and finally to move nearer the old goal of Mussolini's policy of a kind of truce in Europe for a few years; for this idea, which was at one time the basis for the Four Power Pact,³ has gained fresh attraction in the present day atmosphere. It was also desired to bring about a "*tregua* [truce]" of this sort with Germany through Austria. Finally, a particularly large number of dubious points have come to light in Balkan politics so that, even in respect of Albania, there is no longer any great optimism. A revision of the Versailles impossibilities or injustices is now no longer the first consideration of Italian policy, but rather an endeavour above all to prevent an increase in the enormous difficulties which already exist anyway, or even hostilities.

What then is to take the place of [Italy's] former ambitious plans to become the leading Power in the revisionist movement in Europe? Apparently a return to the consolidation of her own position, and this, above all, in Africa. This includes an understanding with France regarding colonies, and it is in this connexion that there is manifest a growing doubt as to whether Italy's main driving force should, in fact, be directed towards Abyssinia in preference to Lake Chad. This range of questions will receive Italy's most serious attention in the near future. How agreement with France in this sphere may be achieved is still an open question to which I will revert shortly.

This report was already written when the news from Vienna regarding the events of July 25 was received. I am sending it off without any changes and am confining myself to adding that the negative elements that are today impeding German-Italian relations have, of course, become double in weight because of these events. In any case Italy's attention will in the near future naturally be turned more to Austria than to the question of colonies.

HASSELL

³ See vol. I of this Series, document No. 292.

No. 119

8645/E605471-76

The Minister in Austria to the Foreign Ministry

Telegram

URGENT

No. 62 of July 26

VIENNA, July 26, 1934—8:30 a.m.

Received July 26—11:30 a.m.

II Oe. 1862.

With reference to successive telephone reports to you and to the

Propaganda Ministry in reply to their enquiries.¹ I would summarize the events already reported as follows:

At about one o'clock this [*sic*: yesterday] afternoon it was announced on the wireless that the Dollfuss Government had resigned and that Rintelen had taken over. The announcement was made by persons so far not identified, who occupied Ravag² by force. After a fight of several hours the building was taken by storm by the police and the Federal army, and eight people were arrested.

At the same time a party of 144 National Socialists, some serving members and others ex-members of the Federal army and of the police, forced their way into the Federal Chancellery and arrested those Ministers who were still there after the meeting of the Council of Ministers which had just ended, that is to say Dollfuss, Fey, the Minister of Justice, Berger-Waldenegg, and the State Secretary for Security, Karwinsky. The gates were shut and machine guns were mounted as defence against attacks. It is being said that, as soon as the party broke in, Dollfuss was at once fired at and hit in the neck. In the course of the afternoon he died of this wound.

A flying squad of police, who are alleged—I mention this in the strictest confidence—to have been in collusion with the insurgents, was first posted outside the Federal Chancellery. Round them a second ring of Ostmärkische Sturmscharen³ and Heimwehr was posted and, as a third outer ring, two companies of the Federal Army. The Federal Chancellery was not attacked, because the invading party allegedly threatened to shoot those held prisoner there. In addition to the Ministers named, about 150 Federal Chancellery officials are said to have been herded together in the courtyard and kept under guard there by the insurgents.

Apart from throwing this cordon [round the building], nothing was done either by the Army or by anyone else, except that the buildings surrounding the Federal Chancellery were occupied by men of the Heimwehr who kept the Chancellery under cover.

While this was going on, a parley was being held with the invading party inside the Federal Chancellery. For this purpose Minister Schuschnigg, who had meanwhile been appointed Head of the Government by the Federal President, delegated Minister Neustädter-Stürmer, who accordingly remained continuously outside the Federal Chancellery in the Ballhausplatz. Fey appeared several times on the balcony and demanded that no attacks be made so as not to endanger the prisoners.

This state of affairs lasted until the evening when, at about 7 o'clock,

¹ See document No. 115, and footnote 1 thereto.

² i.e., Österreichische Radio-Verkehrs-Aktien-Gesellschaft (the Austrian Broadcasting Station).

³ A Christian Social para-military organization sponsored by Schuschnigg.

Neustädter delivered an ultimatum: if the invading party did not decide within twenty minutes to accept his conditions, an attack would be made. Fey rejected this latter intention from the balcony of the building. The attack was apparently to have begun with a gas attack on the Federal Chancellery. Neustädter-Stürmer's conditions were to the effect that, in order not to jeopardize the lives of the Ministers and officials being held prisoner, the 144 men of the invading party should be granted passage to the German frontier under safe conduct and military escort, as they had demanded in the course of the parley, provided that they evacuated the building immediately without further loss of life and surrendered their arms. Furthermore, the families of the 144 men should not be molested and requests from them for transfer to Germany should be granted. Finally, they were at once to lose their Austrian nationality, as they were counting on being naturalized in Germany.

When this agreement had been reached, a Captain Friedrich,⁴ a member of the party which had broken into the Federal Chancellery, rang me up at about 7:30 in the evening from the building, which until then had been cut off from telephonic communication, and gave me details of this agreement which, he said, had been concluded because the action had failed and they now had to take the consequences. He added that he and his fellows feared that, despite the safe conduct which had been promised, they would be murdered while travelling to Germany as agreed and that they had therefore demanded that the Minister who had been authorized to parley should give me a declaration regarding the safe conduct which had been promised, as well as details of the agreement, since it concerned passage to the German frontier. They intended to apply for naturalization in Germany. Friedrich asked me to go immediately and see Minister Neustädter-Stürmer outside the Federal Chancellery, in order to obtain the relevant declaration from him. I did not promise him anything. Immediately after this Minister Fey, who was still held in the Federal Chancellery, also rang me up from there and said that Friedrich's report of the agreement was quite correct. He was telling me this as Friedrich, who was standing beside him, wished him to do so. I told Herr Fey that these happenings were no concern of mine and added that I assumed, after what he had told me, that my going to see Neustädter-Stürmer as desired by Friedrich was hardly necessary. Fey then conferred with Friedrich and said that the latter insisted that Neustädter-Stürmer should confirm the agreement to me, especially, he added, since it was my concern, it being a question of naturalization and of passage to the German frontier. I told Fey

⁴ The name used by SS-Truppführer Holzweber, commander of the insurgents who had occupied the Federal Chancellery.

that the question of naturalization was no concern of mine and asked him whether he wished me to go and see Neustädter-Stürmer outside the Federal Chancellery. Fey affirmed that he did, and pointed out that the lives of 150 people in the Federal Chancellery were in grave danger.

I thereupon said I was prepared to receive the requisite statements from Neustädter-Stürmer, emphasizing at the same time that I would do so not in my official but in my private capacity only. It was impossible to consult with the Reich Foreign Ministry first, since all telephone communication with Berlin had been cut off.

Outside the Federal Chancellery in the Ballhausplatz Neustädter-Stürmer, who said he had parleyed with the party as a representative of the Government, confirmed to me that the whole party had at their own request been promised safe conduct under military escort to Germany.

Minister Fey, who had meanwhile been allowed to leave the Federal Chancellery, joined us and confirmed the promise which had been given. I told both Ministers once again that although the events which had taken place were in no way any concern of mine, I had, nevertheless, in my private capacity received the statement as requested since it had been represented to me that bloodshed would thereby be avoided.

As I was about to leave the Ballhausplatz, a high-ranking police officer came up to me to ask me on behalf of State Secretary Karwinsky, who was still being held, to come to a window and speak to him. I asked Minister Neustädter-Stürmer how he felt about this. He replied that I was free to do so and that he did not wish to express any opinion. I thereupon declined to accede to the request. State Secretary Karwinsky, who had meanwhile been allowed to leave the Federal Chancellery, hurried after me as I was about to get into my car, and, together with Minister Fey, who came up too, urgently requested me to accompany them to a door of the Federal Chancellery to inform Captain Friedrich that I had received confirmation of the Ministers' promises. Otherwise there might be danger of further bloodshed. Accompanied by Fey and Karwinsky I then went to the door, which was opened very slightly, and repeated to Herr Fischer [*sic* ? Friedrich], who was standing behind it, and to some of the other members of the party, what I had been told by the Ministers. I then left the square.

The 176 (144?) men probably left the Federal Chancellery soon afterwards. They were detained at a police barracks . . . (group mutilated) street until they were moved.

As I was about to despatch this telegram I learned that despite the safe conduct which has been promised it is intended to bring some of the 144 men before a court martial for the murder of Federal Chan-

cellor Dollfuss. I have not yet been able to obtain confirmation of this report.

R[intelen] is said to have been arrested in the evening.

RIETH

No. 120

8208/E583162-63

The Ambassador in Great Britain to the Foreign Ministry

Telegram

URGENT

LONDON, July 26, 1934—3:40 p.m.

STRICTLY CONFIDENTIAL

Received July 26—5:50 p.m.

No. 220 of July 26

II Abr. 2036.

With reference to my report A 2554 of July 20¹ and to my telegram No. 219.²

For the Foreign Minister and the State Secretary only.

As you know, in my conversation with Sir John Simon and Eden on July 20, the latter expressed the opinion that the British Government would even regard as constructive a German reply about the Eastern Pact if the German Government were to state that they could only agree to the simultaneous discussion of the question of Germany's entry into the pact system and the granting of equality of rights to Germany in armaments.

According to what I have heard from an absolutely authentic source, this statement of Eden's has led to a difference of opinion between him and Simon. Eden, however, at a discussion held a day or two ago with leading personalities in the Foreign Office, emphasized anew the necessity for linking the solution of the question of equality of rights with that of Germany's entry into the pact, while Sir John Simon, and especially the Foreign Office officials, spoke against linking entry into the pact with equality of rights in this way. This difference of opinion has created a certain tension between Simon and Eden.

Eden's conception of the attitude Germany should adopt is that the German Government should certainly not reject the pact proposal out of hand, as such a rejection would do irreparable harm to the attitude of British public opinion towards Germany. There was no objection to Germany taking her time over her reply. But her reply must be constructive and at least contain counter proposals. It would be best if the German Government would make participation in the pact dependent on the simultaneous granting of equality of rights in accordance with the German document of April 16.³ Any possible

¹ Document No. 102.

² Document No. 104.

³ See document No. 4, footnote 8.

extension of our claims about armaments beyond this document Eden considers could not be discussed.

As regards the particular tactics Germany should follow, Eden's purely personal view is that it might perhaps serve a useful purpose if Germany were to propose discussions on the whole problem of the Eastern Pact and equality of rights, which might well take place simultaneously at the meeting of the League of Nations about the beginning of September at Lausanne. He would regard such a step by Germany as a skilful move and he appears to think that Britain and Italy, even though not themselves taking part in the pact, would not hold aloof from such discussions. On the other hand, he regards it as out of the question for Britain to take the initiative about such discussions on account of her not being a party to the projected pact. He has not discussed these personal ideas with Simon and the Foreign Office.

Please treat this telegram with the strictest secrecy. The information it contains is based on absolutely confidential but completely reliable information.

HOESCH

No. 121

7956/E574629-30

Note by the State Secretary

[BERLIN], July 26, 1934.

II SG.4565.

State Secretary Lammers informed me by telephone at 5 o'clock this afternoon, July 26, that the Reich Chancellor had decided to appoint a new Saar Delegate [*Saardelegierten*],¹ that is to say, Gauleiter Bürckel. The Reich President and the Foreign Minister were in agreement. I objected that it would be better to wait. State Secretary Lammers gave a reason why the appointment could be made at once and asked whether I was agreeable. I said that if the Foreign Minister had already agreed there was nothing more I could say. State Secretary Lammers then said that he would have the documents etc. drawn up in the Reich Chancellery.² At 7:30 p.m. the Foreign Minister confirmed that these were the Reich Chancellor's intentions. He (the Foreign Minister) had certainly objected that this was a misunderstanding since the people of the Saar wished to have B[ürckel] as an authorized

¹ The former Saar Plenipotentiary [*Saarbevollmächtigter*], Herr v. Papen, had just been appointed as Minister in Vienna, see document No. 123.

² In a circular of Aug. 7 (7956/E574631) Lammers announced that the Reich Chancellor had appointed Bürckel as Saar Plenipotentiary in a temporary capacity and that his powers would be identical with those conferred on Papen by a Cabinet decision of Nov. 14, 1933; see vol. II of this Series.

representative of the Party [*Parteibevollmächtigter*]. Nevertheless, the Reich Chancellor had insisted upon his appointment as Commissar.

BÜLOW

No. 122

3086/617269-70

Note by the State Secretary

BERLIN, July 27, 1934.

At 8:30 [p.m.] on July 26 I rang up State Secretary Funk¹ and informed him that I had been in touch with Rome.

At 9 p.m. the Reich Foreign Minister rang up again and told me that he had spoken to the Reich Chancellor at Bayreuth. A further official statement was going to be made about our attitude on the Austrian affair,² confirming the non-participation of all official and non-official authorities and stating that Habicht was being dismissed.³ The Reich Foreign Minister said furthermore that the question of the new appointment for Vienna⁴ had been settled, apart from the Reich President's approval which had yet to be obtained.

At 9:40 p.m. Ambassador von Hassell rang up from Rome and said that the communiqué (not published in Rome) regarding Italian troop movements had been issued,⁵ and the movements ordered, immediately after the news of unrest in Austria had become known. These measures were only of a precautionary nature. There was no question of military intervention. The possibility of diplomatic intervention was apparently still being considered and discussed.⁶ In his previous conversation with me Herr von Hassell had told me that he had called on Suvich in vain. The latter had not received him on Thursday. We agreed that it would not serve any purpose to insist on [the Ambassador] being received; if the Italians were evading a discussion, we should not press them.

¹ Walther Funk, State Secretary of the Ministry for Propaganda.

² See documents Nos. 115 and 119.

³ The text of this official statement, dated July 26, is reprinted in the *Red-White-Red Book* (Vienna, 1947), Part I, No. 14, p. 54.

⁴ See document No. 123.

⁵ The reference is to the precautionary troop movements, ordered by the Italian Government, towards the frontier of the Brenner and of Carinthia immediately on receipt of the news at 4 o'clock on the afternoon of July 25 of the assassination of Dollfuss that day. For the text of the Italian communiqué, see *The Times* of July 27, 1934.

⁶ According to an unsigned memorandum from the Foreign Minister's Secretariat (8649/E605618), headed "Message from Ministerialdirigent Fischer for the State Secretary" and marked "transmitted on July 25 at 2:30 p.m.," it was reliably reported from Rome that Mussolini had decided to protest in Berlin against the acts of terrorism in Austria and had instructed his Ambassadors in Paris, London and Washington to seek support for a joint *démarche* by the American, British, French and Italian Governments.

At 9:50 p.m. I informed Herr Funk of this and he for his part undertook to inform the Reich Chancellor and his Minister⁷ [who are at present] in Bayreuth of Hassell's statements. He said that there were reports to hand according to which Mussolini had received the Defence⁸ and Air⁹ Ministers and other Generals as well as the British¹⁰ and French¹¹ Ambassadors.

At 10:10 p.m. Herr Funk, who had meanwhile received the statement, which also mentions Habicht, rang me up again. We agreed that he would transmit it to Hassell at once, and that it should also be broadcast on short-wave in other languages in order to counteract the 10 o'clock broadcast by the Austrian propaganda chief, Adam,¹² who had only dealt with the German wireless, that is with the Habicht case, and had made serious allegations against Germany.¹³

BÜLOW

⁷ Dr. Joseph Goebbels.

⁸ The reference is to Gen. F. Baistrocchi, Under Secretary of State in the War Ministry.

⁹ The reference is to Gen. Valle, Under Secretary of State in the Air Ministry.

¹⁰ Sir Eric Drummond.

¹¹ Louis-Charles Comte de Chambrun.

¹² Walter Adam, Federal Commissar for Propaganda and Secretary General of the Fatherland Front.

¹³ In a memorandum of July 27, 1934 (3086/617272-73), Bülow recorded that Hassell had telephoned at 11:15 a.m. that day to say that the Italian press had made very little use of the German communiqué and had, obviously on official instructions, adopted a still more hostile attitude to Germany.

No. 123

1549/376601-02

Reich Chancellor Hitler to Herr von Papen

Copy

July 26, 1934.

Rk. 6789.

MY DEAR HERR VON PAPEN: In consequence of the events in Vienna,¹ I have been compelled to propose to the Reich President the removal of the German Minister in Vienna, Dr. Rieth, from his post, because, at the demand of Austrian Federal Ministers, or Austrian insurgents, and without consulting the German Government, he showed himself ready to give his consent to an arrangement reached between these two parties for the safe conduct and withdrawal of the insurgents to Germany. The Minister thereby, without any reason, implicated the German Reich in an internal Austrian matter.

The attack on the Austrian Federal Chancellor, which the Reich Government most sharply condemn and regret, has aggravated through no fault of ours, the already unstable political situation in Europe. It is accordingly my wish to contribute to a relaxation of the tension

¹ See documents Nos. 115 and 119.

in the general situation and particularly to see the relations with the German-Austrian State, which have long been troubled, led back once more into normal and friendly paths.

For this reason I beg to address to you, my dear Herr von Papen, the request that you should undertake this important task, precisely because during our collaboration in the Cabinet² you have possessed and still possess my fullest and unlimited confidence.

I have therefore proposed to the Reich President that, while retiring from the Reich Cabinet and being released from your office as Commissioner for the Saar, you should be appointed for a limited time to a special mission as German Minister in Vienna. In this position you will be directly responsible to myself.

Thanking you again today for everything you did to bring together the Government of national resurgence and for what you have done since in collaboration with us for Germany.

I am,

Yours etc.,

ADOLF HITLER³

² Papen had been Vice-Chancellor in Hitler's Cabinet since Jan. 30, 1933, and retained this office until he was appointed Minister on Special Mission to Vienna.

³ This letter was published in the press (e.g., *The Times*) of July 28. On July 27, Bülow recorded (1574/381299) that he had that day instructed the Chargé d'Affaires in Vienna to apply immediately for the *agrément* for Papen.

No. 124

9335/E661635-37

Memorandum by an Official of Department II

BERLIN, July 26, 1934.

zu II Abr. 1996.¹

1997.²

Major Pabst,³ in his capacity of representative of Rheinmetall-Borsig, had already informed the Foreign Ministry some time ago about the transactions for the supply of arms to Greece,⁴ which form the subject of the attached letter from the Reich Ministry of Economics.²

¹ Not printed (9335/E661629); this was Athens telegram No. 29 of July 26, in which Eisenlohr stated that since the Greek order was a governmental one, he saw no objection to a guarantee by the German Government.

² Not printed (9335/E661630-34); this was a communication from the Ministry of Economics to Frohwein, dated July 25, enclosing an *exposé* by Rheinmetall of the proposed transaction, and enquiring whether the Foreign Ministry considered that there were any political objections or that the danger of political complications was too great to allow the transaction to go through.

³ Waldemar Pabst, a former German Army officer associated with the Kapp Putsch in 1920 and later with certain right-wing extremist organisations in Austria.

⁴ See vol. II of this Series, minute by Frohwein of Feb. 28, 1934.

At that time Rheinmetall were informed (II Abr. 528/34)⁵ that the Foreign Ministry had no political objections to this transaction. At the same time it was pointed out to Major Pabst that since the export ban was still formally in force (Article 170 of the Versailles Treaty and the Law on War Material),⁶ the delivery was, as far as possible, to be managed secretly and disguised.

In a memorandum of June 19 last (registered as II Abr. 1772),⁷ Rheinmetall approached the Foreign Ministry again with more concrete data whilst also raising the question of a Reich guarantee under the customary procedure for securing credits. At the instigation of the Economic Department, which is represented on the Inter-Departmental Committee for Questions of Reich Guarantees, the views of our Legation at Athens were obtained, which now are to the effect that there are no objections to a Reich guarantee.

Consequently, there remains only a decision on the question of principle, namely, whether from now on, despite the fact that Article 170 of the Treaty of Versailles and the Law on War Material are still in force, the Foreign Ministry should express agreement to the Reich's actively engaging in transactions for the supply of arms abroad by furnishing a Reich guarantee. According to information obtained from the Economic Department, the procedure for furnishing a Reich guarantee is that the transaction is scrutinized by the Inter-Departmental Committee, on which non-official representatives of private enterprise also sit, and if and when approved a contract of guarantee is entered into between Hermes A.G. and the German suppliers concerned.⁸ It is not apparent to the purchaser that a guarantee is being provided by the Reich-owned Hermes A.G. But with such a large group of persons involved in the preliminaries, the possibility of indiscretions, which would allow the fact of the Reich guarantee to become known, cannot be excluded.

In view of the great economic significance of this particular transaction (it involves supplies worth 75 to 100 million Reichsmark), I would venture to recommend that political objections on the grounds of the Versailles Treaty and the Law on War Material be disregarded, and that the Foreign Ministry accordingly agree to the provision of a Reich guarantee. At the same time, those taking part in the Committee's deliberations, as well as the Hermes A.G. and the Rheinmetall, should be asked to exercise the greatest discretion about the provision

⁵ Frohwein had minuted on Mar. 6 (7993/E575601) that he had notified Pabst by telephone that the Foreign Ministry raised no objection provided the necessary caution were observed.

⁶ This law of July 27, 1927, defined and prohibited the export and import of war material; for the text see *Reichsgesetzblatt*, 1927, Part I, pp. 239-242.

⁷ Not printed (7993/E575605-09); the attached covering note by Heinburg, dated June 25, states that he received the memorandum from Pabst, who enquired whether the Foreign Ministry saw any political objections to his firm's proposal.

⁸ See Editors' Note, p. 22.

of a Reich guarantee. I learn that there is no question of starting deliveries for nine months or so. I also think it likely that Rheinmetall will at first despatch supplies through their works at Solothurn.

Submitted herewith to Ministerialdirektor Köpke with the request for a decision. If approved, Rheinmetall (Herr Pflug or Herr Dr. Landauer) should be notified by telephone, as also Ministerialrat Soltau of the Reich Ministry of Economics.* I should advise against the Foreign Ministry's making any communications in writing to outside departments. At the same time the Foreign Ministry's representative on the Inter-Departmental Committee might be instructed to agree to the provision of the Reich guarantee.⁹

FROHWEIN

⁹ Marginal notes: (i) "St[ate] S[ecretary]: I would close the deal; 75 to 100 millions are not to be despised. I do not regard the danger as very great by comparison. Köpke, July 27." (ii) "Agreed. B[ülow], July 27." (iii) "I have informed Herr Ministerialrat Soltau at the Reich Ministry of Economics by telephone of the decision. He wished to have a communication in writing. I told him that could not be expected. He will notify Rheinmetall. (1) To Senior Counsellor Frohwein for information and return. (2) To be filed. Sch[wen]de[mann], Aug. 1." (iv) "To the Economic Department with the request that the Foreign Ministry representative on the Inter-Departmental Committee be informed of the State Secretary's decision. F[rohwein], Aug. 3."

No. 125

5705/E414329-32

The Legation in Austria to the Foreign Ministry

A 2098

[VIENNA], July 26, 1934.

Received July 28.

II M 1115.

Enclosed herewith is the Military Attaché's report, No. Geh./278 of July 26, for transmission to the Reichswehr Ministry.

By order:

MUFF

[Enclosure]

SECRET

VIENNA, July 26, 1934.

No. Geh./278

Report No. 16/34 (Austria)

Concerning the events of July 25,¹ 1934.

1) I had known for a long time that the National Socialists were considering the idea of, and had also made certain preparations for, a raid by an SA-formation disguised in Federal army and police uniforms on the Government during a Cabinet meeting.²

¹ See documents Nos. 115 and 119.

² See vol. II of this Series, telegram No. 8 of Jan. 31, 1934, from Vienna.

Such an undertaking had prospects of lasting success only if it was accompanied by a popular rising or by intervention by the army on the side of the prospective new Government. The abortive attempt at a *Putsch* was to all appearances based on this last idea.

Time and again I have pointed out in my reports that I consider any *active* participation by the army to be out of the question.³ The course which the *Putsch* took has shown I was right. Although close contact is said to have been established between the leaders of the *Putsch* and various high-ranking officers, the army nevertheless remained firmly in the hands of the State Secretary for National Defence,⁴ who had escaped capture by the conspirators. The officers involved in the conspiracy could not bring themselves to eliminate the Secretary of State and his assistants and to seize control of the army. From my knowledge of the personalities involved, I never expected anything else and time and again I raised my voice in warning.

2) What internal political repercussions will result from this *Putsch*, which, one might almost say, was carried out with wanton irresponsibility, cannot at present be foreseen. Purely from the point of view of power the Government, though admittedly deprived of their Head and hence perhaps also of their internal coherence, are in control of the situation. It is possible that, encouraged by the Heimwehr, who are devoted to the principle of naked power, and exploiting the impression which the murder of the Chancellor has made on the people, a war of extermination will be waged on National Socialism and nationalist circles in general. It is also possible, however, that what has happened will cause those responsible to reflect that he who sows violence will only reap violence, a realization which I hope will also dawn upon the leaders of the Austrian NSDAP in consequence of these events.

3) My report No. 11/Austria of June 5, 1934,⁵ compares the situation in Austria with trench warfare. The NSDAP's attempt to extricate themselves from this by force has failed, since it was based on false assumptions. The moral setback suffered by the aggressor is considerable, the initiative has passed to the other side. The static war will now continue under more unfavourable conditions for the former with regard to both domestic and foreign politics, unless the desire for peace is great enough on both sides for understanding and common sense to prevail. For this, however, men of great integrity are needed on either side.

³ e.g., in report No. Geh. 246, No. 11/34 (Austria), of June 5, 1934 (6111/E452851-53) in which Muff wrote: "Today, and probably for a considerable time yet, the armed forces are still firmly in the hands of the Government."

⁴ Maj.-Gen. Wilhelm Zehner; he had been appointed State Secretary for National Defence in the Dollfuss Cabinet on July 10.

⁵ See footnote 3 above.

4) In the above-mentioned report I said that the international consequences of a violent attack were immeasurable. This is the situation we are faced with today.

For this reason the Reich should not refuse to cooperate in the early and peaceful termination of the struggle in Austria in so far as it is able to do so.⁶

MUFF

⁶ In a letter to Reichswehr Minister Blomberg of July 30, 1934 (4606/E193008), State Secretary Bülow expressed the Foreign Ministry's appreciation of Muff's well-informed and perspicacious reports.

No. 126

3154/671109-10

Foreign Minister Neurath to State Secretary Bülow

LEINFELDEN A.D. ENZ,
July 27, 1934.

DEAR BÜLOW: Owing to events of the last few days all our other worries have, for the moment, been pushed somewhat into the background. Today I should just like to reply briefly to your letter of July 21¹ regarding the supposed intention to abolish camouflage for the Reich Army as from October 1.

So far I have not heard anything either from Blomberg or from the Reich Chancellor about this camouflage already being abolished by October 1. On the contrary, we have always spoken to the effect that the programme of minimum rearmament, as claimed in communications to Eden at the time,² could not be carried through before April 1 of next year. Admittedly, the Chancellor later urged that the recruiting for the army of 300,000 men should already be completed by October 1. I can now imagine that the Reichswehr is having difficulties in absorbing these 300,000 men into the present cadres and for this reason desires the re-formation of the battalions etc., as early as by October 1. As far as the calibre of guns is concerned, I have no information that 15 cm is to be exceeded. On the other hand, I do not consider it impossible that firing tests with heavier calibres are to be carried out.

Nor have I any information that bomber formations are to appear openly as from October 1. At any rate, I shall take the earliest opportunity of discussing these questions with the Reich Chancellor. Nevertheless, I also fully agree that, as soon as you can get hold of Blomberg, you should discuss the matter with him beforehand³ and

¹ Document No. 105.

² Eden visited Berlin Feb. 19-23, 1934; see vol. II of this Series.

³ No record of any discussion between Bülow and Blomberg has been found.

draw his attention to the misgivings we have in view of the ill feeling prevailing against us in the rest of the world.

With kindest regards,

Yours etc.,

FRHR. VON NEURATH

No. 127

8054/E578957-58

Foreign Minister Neurath to Ambassador Hassell

LEINFELDEN A.D. ENZ, July 27, 1934.

DEAR HASSELL: Many thanks for your letter of July 23,¹ from which I gather, first of all, that Mussolini is extremely critical of all happenings in Germany. I offer no opinion on whether or not it would serve any purpose to remind him of how sensitive he himself was about any outside criticism of the happenings during and after his seizure of power in 1922 when things were not always done in a strictly legal manner either. The feeling which then prevailed with regard to Mussolini and Fascism is in no way different from that which the world now entertains with regard to National Socialist Germany.

In any case, the situation has once again changed completely as a result of the events which took place in Vienna on July 26 [*sic*].² The impending appointment of Papen as Minister on Special Mission and the reasons for this appointment given by the Reich Chancellor in his letter to Herr von Papen of July 27 [*sic*],³ as well as Herr Habicht's dismissal⁴ from his present post as Director of Propaganda for Austria, show that we are able and shall now try to put our relations with Austria on a normal footing again. It would be helpful if Signor Mussolini were not to cause us too many difficulties in doing so. Should in the meantime, however, the collective *démarche* which he is said to be planning with regard to Austria be made in Berlin,⁵ I have little hope for the future of our relations with Italy. The German Government did not at the time take part in the *démarches* concerning the events in Italy which were planned by the Powers on various occasions; they would, especially after the discussions in Venice,⁶ be bound to consider it an unfriendly act on the part of Mussolini if he, of all people, were to suggest or had suggested such a collective *démarche*. If Mussolini wishes to maintain good relations between Italy and Germany, he could give proof of this wish now by advising the Austrian

¹ Not found.

² July 25; see documents Nos. 115 and 119.

³ July 26; see document No. 123.

⁴ See document No. 122, and footnote 3 thereto.

⁵ See document No. 122 and footnote 6 thereto.

⁶ See documents Nos. 5, 6, 7, 19, 26, 89 and 100.

Government to take the hand held out to them by Germany, and by guiding relations between the two countries back into normal channels.

With kind regards,

Yours etc.,

NEURATH

No. 128

3086/617274

Memorandum by an Official of the State Secretary's Secretariat

SECRET

BERLIN, July 27, 1934.

Secretary of Legation Adolf von Bülow¹ informs us from the Reichswehr Ministry that, according to recent reports reaching them, large numbers of troops are encamped on the mountain slopes on both sides of Vipiteno.² Their strength is estimated at roughly one division. Units of the 11th Infantry Division have been recognized. It has been established that there is another division in the Sarentino north of Bolzano. On the evening of [July] 26 the formations of the 11th Infantry Division were issued with live ammunition. In general it has been established that since yesterday the units stationed in the Bolzano area have been moved further north towards the frontier.

The Reichswehr Ministry are of the opinion that these measures are in preparation for possible further incidents.

[THEODOR] KORDT

¹ An official of Department II in charge of liaison with the Reichswehr Ministry.

² See document No. 122 and footnotes thereto.

No. 129

5881/E430573-87

The Ambassador in France to the Foreign Ministry

SECRET

PARIS, July 27, 1934.¹

No. 3241

II Fr. 2722.

Subject: François-Poncet's relations with General von Schleicher and with Röhm.

The Secretary General of the Foreign Ministry, M. Léger, invited me a few days ago to come and discuss the case of François-Poncet with him, and made the following statement:

The French Government were exceedingly disturbed by the fact that they and the name of the French Ambassador in Berlin had been

¹ The document here printed is slightly damaged by fire and the date of receipt is not visible. An incomplete note in the margin appears to be dated [July] 30. A note on the copy in the files of the Paris Embassy (M48/M001213-22) states that it was sent on July 29. Other slightly damaged passages have been completed by reference to the Paris copy.

mentioned in connexion with the events of June 30. To be sure, neither Minister President Göring nor any official quarter had mentioned François-Poncet as the diplomat with whom Chief of Staff Röhm and General von Schleicher had been in contact. Furthermore, it must be admitted that the Havas *démenti* of the London United Press report² that France had been informed regarding the plot had been faithfully published in the German newspapers. Nevertheless, the fact remained that in press circles and amongst the public the French Ambassador's name had been mentioned without the German Government taking any action. This had given the French Government the impression that it would not be unwelcome if they appeared to be compromised in the matter. The Reich Chancellor in his speech in the Reichstag³ had spoken of von Schleicher and Röhm being in contact with one diplomat only. The failure to mention the relations of these two with numerous other diplomats had given the French Government the impression that the Reich Government wished to draw the attention of the public to the French Government or the French Ambassador, who had already been brought into the discussion by the United Press report and the Havas *démenti*.

As regards the question at issue, the French Government had:

(1) Ordered an immediate enquiry as to whether any arms had actually been supplied to the SA or to any other interested persons in Germany. After enquiries had been made with all possible care, the Foreign Ministry could assure me that no arms of any kind had been supplied by France to Germany. Furthermore, Baron Neurath himself, according to Ambassador François-Poncet, had described this rumour as "absurd fables". In Baron Neurath's opinion arms had been imported from another country.⁴

(2) Furthermore, the French Government had instructed Ambassador Poncet to enquire of the Reich Foreign Minister whether the reference in the official statements on the events of June 30, to the relations between Schleicher and Röhm and a foreign Mission, was a reference to the French Embassy. Baron Neurath had replied that by giving an answer to this question he would be creating a precedent for other Missions which would ultimately make it possible to discover the guilty party.⁵ In continuation, however, Baron Neurath had said that neither François-Poncet nor the French Embassy had at any time been regarded by the German authorities as being involved in the matter. If the contrary had been the case Ambassador Poncet would have been informed by Baron Neurath.

(3) Finally, the French Government had ordered Ambassador

² See document No. 64, footnote 6.

³ See document No. 110, footnote 2.

⁴ See document No. 97, enclosure.

⁵ See also document No. 64.

Poncet to make a full report about his relations with Schleicher and Röhm. The substance of the report⁶ was as follows:

Schleicher:

Since January 30, 1933, he had met Schleicher three times:

(a) On March 7, 1933, at a dinner at the French Embassy for the following persons:

the former Minister, Treviranus,⁷

State Secretary Planck,⁸

General von Schleicher,

General von Bredow,⁹

General von Hammerstein.

According to Ambassador Poncet they were persons whom he had known during their terms of office; moreover General von Hammerstein was at that time still Chief of the Reichswehr [*sic*]. There were also ladies present at the dinner. After that, a year passed before Poncet met Herr von Schleicher again. It seemed to him that Herr von Schleicher was in complete retirement and he had not tried to renew relations with him, in order not to compromise him. Only at the beginning of 1934, that is to say a year later, was General von Schleicher seen again in the diplomatic circles in which he had formerly moved.

(b) The second meeting with Herr von Schleicher took place at a luncheon on March 29, 1934, at the Rumanian Minister's in Berlin.

Present were:

The Swiss, Yugoslav and Czech Ministers

Herr Horstmann¹⁰

Count Fürstenberg

Frau Umber¹⁰

Baron Gruben¹⁰ and

Herr von Schleicher;

the married gentlemen were accompanied by their wives.

(c) The third meeting took place on April 2, 1934, at the country house of Herr Regendanz, through whom Ambassador Poncet had

⁶ A copy of the French Ambassador's report, dated July 18 and headed "For the personal information of M. Louis Barthou" (8211/E583324-28/1) has been found in the relevant Paris Embassy file where there is also a Note of July 26 from the French Foreign Ministry in reply to questions raised by Köster about details of François-Poncet's report (8211/E583328/29-29).

⁷ Gottfried Treviranus was a Minister in the Brüning Cabinets Mar. 30, 1930-June 1, 1932.

⁸ Erwin Planck, State Secretary in the Reich Chancellery until Jan. 30, 1933.

⁹ General Ferdinand von Bredow, Chief of the Ministeramt in the Reichswehr Ministry June 1928-January 1933.

¹⁰ François-Poncet's report (see footnote 6 above) gives the following additional information about the guests: Herr Horstmann, former German Minister in Lisbon; Frau Umber, wife of the Professor of Medicine; Baron Gruben, First Secretary at the Bulgarian Legation.

made the acquaintance of General Schleicher three years earlier. Only the two families were present.

General von Schleicher had on this occasion spoken about politics, but had confined himself to repeating the general remarks which he had already made to those present at the luncheon at the Rumanian Legation. Schleicher had criticized the German Government and said he was convinced that the present conditions could not last. Ambassador Poncet had given an official assurance that Schleicher had not set forth any plans of a conspiracy or any other undertaking, nor any ideas on foreign policy which might have been connected with such plans. Moreover, it must be emphasized that General von Schleicher had never been regarded as suspect in Berlin diplomatic circles, nor did anyone think that he was being watched or suspected.

M. Léger expressly assured me that Ambassador Poncet at the time had made no private or official report either orally or in writing to the Ministry.

Ambassador Poncet had maintained the greatest reserve towards Röhm, although he was a Reich Minister, by reason of his being head of a formation the legality of which was doubtful under the Versailles Treaty. Röhm had often made it clear to Ambassador Poncet that he would be pleased to enter into relations with him and would like to issue an invitation to him. François-Poncet had let him know that he would neither accept an invitation from him nor issue an invitation to him. He had no wish to be discourteous to Herr Röhm in his capacity of Reich Minister and had, therefore, at the same time, let him know that he would always be pleased to meet him at the houses of others.

They had met for the first time on February 21, 1934, on the occasion of a reception given by the Chief of Protocol at his home. The conversation with Röhm had concerned the significance of the SA and the rôle which its founder gave it in the National Socialist movement. Three months later Herr Regendanz had let Ambassador Poncet know that Röhm wished to see him again. Regendanz had invited him to a meal in order to bring about a meeting between him and Röhm with a few of his colleagues without their being disturbed by the presence of others.

In any case, Regendanz had always, even with former Governments, wanted to play the part of a social go-between and had not given up this activity after the revolution. Originally he wished to give a dinner in honour of the Chancellor at which Ambassador Poncet should be present. The Reich Chancellor had, however, not accepted the invitation. This dinner had then been taken over by Herr von Ribbentrop. François-Poncet had, in the past three years, met the majority of the German Ministers and higher officials then in office, as well as Heads of Missions, at Regendanz's. In this way the French

Ambassador had met the Police President, Admiral von Levetzow,¹¹ Governor Schnee¹² and the Czechoslovak Minister, at a luncheon on April 4, 1934. As Regendanz was not suspect, he saw no reason to reject the meeting with Röhm proposed by him, more particularly as Röhm was at this time one of the most important persons in the Reich and a member of the Government, and as there was no sign of any sort that he was in conflict with the Führer. This dinner took place on May 24, 1934; in Ambassador François-Poncet's view it was in no way secret in character, and he had, therefore, not preserved secrecy about it to others. Present at the dinner were Röhm and his three assistants, Herr von Detten,¹³ Count Spreti¹⁴ and Herr von Falkenhausen, as well as the host and the Ambassador. After dinner a conversation took place between Röhm, von Detten and François-Poncet, while Count Spreti and von Falkenhausen had a conversation in an adjoining room with Herr Regendanz's adopted son who is himself an SA officer. The conversation with Röhm was of a general nature and concerned German-French relations since the peace treaty. The Ambassador had tried to explain to his questioners the reasoning and the attitude of France. The others made no remarks of any interest. Röhm had looked absent-minded and ill, and mentioned that he had had to have medical treatment for neuritis.

M. Léger also assured me here that François-Poncet had not informed the Foreign Ministry here either orally or in writing, officially or privately.

Shortly afterwards Regendanz proposed to the French Ambassador another meeting with Röhm and at Röhm's request added that the latter had the feeling that he had not made a good impression on Ambassador François-Poncet. Poncet declined the invitation on the grounds that he was too busy and intended to leave Berlin shortly.

François-Poncet had further reported that he had not known that Röhm had attached such great importance to the conversation, and that the latter had intended to refrain from reporting the conversation to the Führer; in any case Röhm had not said anything of the kind to him. Since March of this year Röhm had obviously been attempting to get a footing in Berlin society and in diplomatic circles. He had given big dinners and receptions at which all the Ambassadors and Heads of Missions, with the exception of the French Ambassador, had been present. François-Poncet had refused to follow the example of his colleagues and especially that of the Italian Ambassador, who was

¹¹ Rear Admiral Magnus von Levetzow, Police President of Berlin February 1933-July 1935.

¹² Dr. Heinrich Schnee, the last Governor of German East Africa; President of the Reich Colonial League.

¹³ SA-Gruppenführer Georg von Detten was among those executed at the Cadet School at Lichterfelde during the "Röhm purge".

¹⁴ Count Spreti, aide-de-camp to Röhm, was executed at Munich on June 30.

most frequently to be seen at Röhm's. In answer to the question which I put to the Secretary General in view of despatch II Fr. 2459 of July 13¹⁵ of this year, as to whether the French Ambassador had ever met Röhm and Schleicher together anywhere, M. Léger informed me that, according to the Ambassador's report which lay before him, such a meeting had never taken place, and neither Schleicher nor Röhm had ever spoken to him of their relations. In view of the contradictory statements on this point, the Secretary General assured me afresh that there could be no misunderstanding and, after he asked François-Poncet for another report, he assured me that Poncet adhered to the above statement.

The Secretary General asked me to inform my Government of François-Poncet's reports, and, in so doing, to point out that French officials had not been in touch, either directly or indirectly, with General von Schleicher or Chief of Staff Röhm, and that in their opinion the French Ambassador could in no way be reproached for having such relations with the persons named as would have been incompatible with his position of Ambassador and contrary to the interests of the German Government.

The French Government requested me to ascertain from the German Government whether the latter had any reason for not bestowing on the Ambassador the confidence which he had hitherto enjoyed. I replied that, according to the information I had received, the Ambassador's report on his relations with Schleicher and Röhm, and in particular on his complete ignorance of a conspiracy, had received full credence.¹⁶ Barthou's statements¹⁷ on the situation in Germany to the Foreign Affairs Committee of the Chamber, had, however, caused great surprise in Germany. Barthou had expressly referred to a

¹⁵ See document No. 110, footnote 1.

¹⁶ Telegram No. 348 of July 6 (5881/E430590-94) in which Bülow informed Köster of François-Poncet's *démarches*, concluded as follows: "The Ambassador's statements that he knew nothing of the conspiracy are believed here. Nevertheless the French Government's own attitude is to blame if the report has been widely believed by the public. As is known, Barthou made sensational statements to the Foreign Affairs Committee of the Chamber on May 9 regarding the domestic situation in Germany, and these statements quickly got about. According to your telegram No. 667 [of May 11; see vol. II of this Series] he apparently made special reference to reports from the Ambassador here. François-Poncet has protested both to me and to the Foreign Minister about being suspected of reporting of that kind. Recently, however, Ribbentrop, in his conversation with the French Minister President [on June 18; see document No. 31, footnote 2] received confirmation of his impression that French Government circles firmly believed that there were economic and domestic difficulties in Germany, and that in Paris it was desired for the time being to await further developments in Germany. Indeed, the impression has for some weeks been generally prevalent that the rigidly negative attitude of the French Government towards us is based on the French view that serious internal difficulties were imminent in Germany. It is but a short step from this impression to the belief that the explanation of this attitude lies in the French Government's complicity in German conspiracies. By immediately publishing the Havas *démenti* through DNB we have proved, however, that we are loyally bringing to the notice of the German public the French declarations designed to invalidate this belief."

¹⁷ On May 9; see footnote 16 above.

report from the French Ambassador. This led one to assume that this report was based on information from one or more persons who were interested in casting doubt on the stability of the present German Government and in placing the political and economic situation in Germany in such a light as to influence French policy *vis-à-vis* Germany in an unfavourable sense. This train of thought might explain the French Government's intransigent and dilatory attitude on many questions. The French Ambassador, precisely in his position as the representative of France, should in my view have acted more cautiously and have avoided altogether a resumption of relations with Schleicher, as the Reich Chancellor who had been ousted by the new Government.

Moreover, Herr von Ribbentrop in his conversation with the French Minister President¹⁸ had received confirmation of his impression that in French Government circles there is, on the basis of reports from Germany, a firm belief in difficulties of an economic and political nature.

I should be grateful if I could be put in a position to answer the question put to me by M. Léger as to whether the French Ambassador still enjoys the confidence of the German Government.¹⁹

KÖSTER

¹⁸ On June 18; see footnote 16 above.

¹⁹ See document No. 178.

No. 130

9494/E668422-23

The Deputy Director of the Economic Department to the Legation in the Netherlands

Telegram

IMMEDIATE

No. 53

BERLIN, July 29 [*sic*], 1934.

Despatched July 28—4:30 p.m.

e.o. W 6199.

The limitation of the payments agreement by the supplementary protocol of June 5¹ has not had the desired effect. In view of the foreign exchange allotment, importers are trying by all possible means to effect payment for imports through the special account.² In consequence the account has once again reached a dangerously high level (15 million at the present time). On the other hand, the Nederlandsche Bank clearly cannot use the marks held in the account quickly enough and in sufficiently large quantities for the payment of German exports to Holland. It is therefore constantly urging the Reichsbank to make marks available in foreign exchange.

¹ See document No. 108, footnote 5.

² This was the special account which the Nederlandsche Bank N.V. maintained with the Reichsbank in accordance with the Protocol of Dec. 31, 1932 (see document No. 108, footnote 5).

This state of affairs cannot be tolerated for any length of time, especially now that the British have also demanded a similar agreement,³ which cannot be denied to them in view of the promise of non-discrimination made in London. On the other hand, the British have stated that they will accept restrictive measures, provided similar arrangements are made with Holland and other countries. Since in the present foreign exchange situation the mark account of the Nederlandsche Bank at its present level has become intolerable to the Reichsbank because it is a latent foreign exchange liability, you should inform the Dutch Government at once that we consider it necessary that there should be immediate negotiations concerning the fixing of the upper limit of the amount to be held in the account. Should German importers offer to make payments after the maximum has been reached, the Reichsbank is to have the right to refuse such payments until the balance in the account has been proportionally reduced. We have in mind for this a limit of three million Reichsmark. Should the Dutch Government not agree to this, we would to our regret have to denounce the payments agreement on August 1.

Similar instructions are being sent to Missions in the other countries which have payments agreements with us. You should report by telegram.⁴

ULRICH⁵

³ See document No. 108, footnote 6.

⁴ The text of this telegram was repeated by telegram of July 28 (9494/E668424) to the Missions in Spain, Italy, Norway, Portugal, Sweden and Finland, with instructions to hold similar language there. The upper limit of the account would be in proportion to the amount of German trade with each country. The Legation in Belgium was informed by despatch of July 28 (9494/E668425-26).

⁵ Marginal note in an unidentified handwriting: "The initialling will be done later." Ulrich appended his initial to the telegram to the other Missions (see footnote 4 above). Another marginal note in an unidentified handwriting: "The Reich Ministry of Economics and the Reichsbank have agreed."

No. 131

6695/H100823-25

Ministerialdirektor Meyer to Minister Zechlin

BERLIN, July 28, 1934.

Sent July 30.

IV Ru. 4210.

DEAR HERR ZECHLIN: With reference to your telegram No. 46 of July 26,¹ I should like to tell you in confidence that Lozoraitis'²

¹ Not printed (6695/H100822). In this telegram Zechlin reported that the Lithuanian Foreign Minister had said he was going to Moscow, at Litvinov's invitation, primarily to discuss the Eastern Pact to which he thought his Government favourably inclined. He had then put to Zechlin the question referred to above, and Zechlin had replied that he believed that, so far, the discussions had only been in general terms and that he had not heard of any such misgivings.

² Stasys Lozoraitis, Lithuanian Foreign Minister June 12, 1934–December 1938.

question as to whether we had any misgivings about a certain State joining the Eastern Pact has an earlier history. You will remember that, on the occasion when we communicated our views about Litvinov's proposal to guarantee the independence of the Baltic States, Zaunius³ told Mohrmann⁴ he had heard that Germany had intended to reject the proposal solely on account of Lithuania; the fact that we had communicated our views of our own accord had, however, dispelled his fears (your telegram No. 24 of April 23, 1934).⁵

This time the mistrust of the Lithuanians has a certain amount of real foundation. In a conversation he had about the Eastern Pact with the Italian Ambassador in Paris, Köster incidentally pointed out how difficult it was for Germany to conclude a mutual treaty of the kind with Lithuania in view of the latter's attitude over Memel.⁶ Köster also mentioned Lithuania in a subsequent conversation with Barthou,⁷ saying that the first essential for concluding a pact of this sort was mutual confidence in the loyalty of the co-signatory States over respect for international agreements. Köster also took the opportunity of drawing attention to our Note to the Powers signatory to the Memel Statute about Lithuania's violation of the Memel Statute.⁸ This is for your private information.

The way in which Lithuania is interesting herself in the Eastern Pact seems exceedingly presumptuous. We learn from a reliable source that the Lithuanian Minister in Paris informed the French Government, on instructions from his Government, that they accepted in principle the proposed pact of mutual assistance; the Lithuanian Government were convinced that this pact would serve to strengthen peace and security in North Eastern Europe; nevertheless in view of the territorial questions in dispute with Poland, Lithuania must insist that the future pact contain no provisions to legalize the territorial *status quo* created by Zeligowski's⁹ *coup de main*; furthermore Lithuania wished to take part in the different phases of the negotiations and in drawing up the text of the treaty.

On the same subject there is also this to add: The Lithuanians have supposed that they could gather from articles in the German press that Germany wishes to make her participation in the Eastern Pact dependent on the German Government being brought in as a Signatory Power to the Memel Convention. I need hardly assure you that we have no intention of doing this. The question of Lithuania

³ Dr. Dovas Zaunius, Lithuanian Foreign Minister September 1929-June 1934.

⁴ Dr. Anton Mohrmann, Secretary at the Legation in Kovno.

⁵ See vol. II of this Series.

⁶ No record has been found of a conversation between Köster and the Italian Ambassador in Paris in which Memel is mentioned.

⁷ See document No. 101.

⁸ See Editors' Note, p. 137.

⁹ Polish General, who on Oct. 9, 1920, seized Vilna from Lithuania by a *coup de main*.

has not weighed in the least in our consideration of the Eastern Pact, and we may leave it at that.

Yours etc.,

MEYER

No. 132

8649/E605622-24

The Ambassador in Italy to the Foreign Ministry

Telegram

No. 173 of July 28

ROME, July 29, 1934—12:15 a.m.

Received July 29—3:00 a.m.

II Oe. 1914.

Today I had my first conversation with Suvich since the events in Vienna,¹ and I began by complaining vigorously about the attitude of the Italian press; I said that I more than anyone could sympathize with Italy's views and could understand the sharp tone taken by the Italian press in view of the terrible occurrences in Vienna. Nevertheless the Italian press was almost without exception lacking in any restraint or objectivity, it was adopting an incredible tone, was printing impudent cartoons, was insulting the Führer and the Reich Ministers in office, and did not even shrink from open disloyalty. Suvich replied that he could in any case not accept my last phrase, whereupon I retorted that I had not been speaking of the Government or the Government press but of the press in general for which, I supposed, he would not wish to assume official responsibility. As an example of disloyalty I mentioned the way in which the question of Rieth² had been dealt with, and told him what had really happened; incidentally I have also told various foreign diplomats about this. I further mentioned the question of Papen³ and finally I read out to him some strongly worded passages from an article in today's *Popolo di Roma*, which was full of insults to the Führer, largely irrelevant to the Austrian affair. I also added that I had noted with satisfaction that today's evening papers were for the first time adopting a less offensive tone, to which the calm refutation of the Italian attacks by the German press had obviously contributed. Suvich, describing the development of the Austrian affair during the past few years, replied that it had been a natural outburst of public opinion which had had to be allowed to run its course. Perhaps it had now more or less exhausted itself. Lapses such as that in the *Popolo di Roma*, which was not a semi-official paper, were regrettable but were inclined to occur in such

¹ See also document No. 122.

² See document No. 115.

³ See document No. 123.

moments of excitement. Relentless agitation by Habicht, by Frauenfeld in Munich, on the wireless and by other means, as well as the supply of arms and ammunition, were bound in the end to lead to an explosion such as had now taken place in Vienna and, equally, to an outburst of passion in the Italian press. I made it clear that it was not possible to establish a connexion between the assassination and the propaganda in this way and I furthermore indicated that in my opinion it was not merely a matter of an explosion of public opinion since it was generally known in what direction the Italian press was being guided. The tone taken in Italy had been such that I feared the after-effects would be felt in Germany for some time. Suvich replied that, naturally, not only a superficial irritation but a more profound impression had been left behind in Italy too. There was nothing for it now but to let the storm blow over. I then referred to today's article by Gayda,⁴ who, in face of German assertions that there was no evidence of Germany's responsibility, at first tried to produce some sort of evidence for the connexion and then went on to say that he did not wish to aggravate the present quarrel but that, on the contrary, he would like to smooth it over since, apart from everything else, it was quite futile. For this reason he was confining himself to establishing facts which proved Germany's complicity and which had therefore been exposed by the Italian press. I added that it seemed to me that the most important thing was that nothing should be done now for which no amends could be made later. When Suvich agreed, I advised him to exert his influence to cause the atmosphere to become calm and correct.

I then pointed out to Suvich that open threats of violence had been uttered in quite a number of newspapers and asked him what the meaning of these threats was in conjunction with the military measures which had been announced. Suvich replied that, as had been clearly stated in the communiqué,⁵ the military measures were of a purely precautionary nature. No action was intended as long as no foreign troops marched into Austria either from Germany or from Yugoslavia, and as long as the Austrian Government remained in control, which was now clearly the case. When I mentioned a report about forthcoming diplomatic action,⁶ Suvich said that nothing of this kind was to be expected at the moment. I refer to report I 791 [*sic*]⁷ which is being despatched by tomorrow's scheduled German plane.

HASSELL

⁴ Virginio Gayda, Italian journalist and editor of the *Giornale d'Italia*.

⁵ See document No. 122, footnote 5.

⁶ See document No. 122, footnote 6.

⁷ The reference is to report I 891 of July 28, 1934 (8649/E605627-29), in which Hassell described the anger against Germany felt in Italy over the events in Vienna.

No. 133

6695/H100886-87

The Chargé d'Affaires in the Soviet Union to the Foreign Ministry

Telegram

No. 185 of July 30

Moscow, July 30, 1934—9:27 p.m.

Received July 30—11:25 p.m.

IV Ru. 4266.

With reference to our telegram No. 182 of July 30.¹

Just before he left, the Estonian Foreign Minister, Seljamaa,² spoke to me as follows about the Estonian views on the question of the Eastern Pact: He had told Litvinov quite clearly that Estonia would in no circumstances meddle in questions of power politics. Consequently she could only become a party to the Eastern Pact if Germany and Poland were to join, and if the pact were not aimed at any Great Power.

In addition, he had said that he was in agreement in principle with the idea of the Eastern Pact, for you could state you were in agreement in principle with a great deal.³ The details were the determining factor and he had left Litvinov in no doubt that Estonia's final attitude would depend upon what responsibilities she had to undertake. Litvinov had not been much enamoured of Estonia's attitude of reserve.

On the question of the Soviet Union joining the League of Nations, Litvinov had told him that opinions for and against were about evenly divided in the Soviet Government; in any case the Soviet Union would not take any initiative, but would wait and see whether in September the League of Nations would extend a formal invitation to the Soviet Government to join.⁴

As characteristic of Litvinov, it is interesting to learn that he has now told the Lithuanian Chargé d'Affaires that he was extremely satisfied with the course Seljamaa's visit had taken.

He said that at the first conversation Seljamaa had been quite intractable in the matter of the Eastern Pact, as a result of having been

¹ Not printed (6695/H100877-78). In this telegram Twardowski reported on the explanation furnished to him by the Estonian and Latvian Ministers in Moscow concerning the Tass communiqué cited in footnote 3 below.

² He had arrived in Moscow on July 28.

³ A Tass communiqué, published in the Russian press on July 30, stated that Seljamaa and the Latvian Minister in the Soviet Union, Bihlmans, had made identical declarations to Litvinov, in which their Governments, pending receipt of a text, had declared themselves favourably disposed to the idea of an Eastern Pact, whilst reserving the right to propose amendments.

⁴ In telegram No. 189 of Aug. 2 (8810/E613708), Twardowski reported that Attolico had informed him, under the seal of secrecy, that Litvinov had, the previous day, told him the Soviet Government had decided to accept an invitation to join the League of Nations in September even if the Eastern Pact were not concluded.

backed up by the Poles.⁵ Litvinov had, however, as was evident from the wording of the declaration issued, succeeded in talking him round and reconciling him to the idea of the Eastern Pact.

TWARDOWSKI

⁵ In Tallinn telegram No. 33 of July 26 (6695/H100847-48) Reinebeck reported that, in the discussions during his visit to Tallinn, Beck had made clear Poland's negative attitude towards the proposed Eastern Pact. Seljamaa had questioned some aspects of the proposed pact and both Foreign Ministers had specifically reserved their Governments' final decision.

No. 134

3086/617288-90

Note by the State Secretary

BERLIN, July 30, 1934.

The Reich Foreign Minister rang me up at 8:20 p.m. on Saturday [*sic*]¹ and told me he had been to Bayreuth on Saturday. His conversation with the Reich Chancellor about the Austrian situation had gone well; strong measures were being taken, the dissolution of the Gau Austria [of the NSDAP] had been ordered and the Austrian Legion would be transferred to the Labour Service. The Reich Chancellor had been anxious lest there should be intervention from abroad, but he, the Foreign Minister, had said he thought this improbable.

He had also brought up with the Reich Chancellor the connexion between the Eastern Pact and rearmament, but this problem could not be dealt with in detail until Herr von Blomberg's return.

The Reich Foreign Minister further told me that a plane had been sent over to him on Sunday from Bayreuth and that he had signed the various papers concerning Vienna at the airport, with the exception of the document relating to the appointment of Herr von Papen,² which the Reich Chancellor had countersigned. The plane had then flown on to Neudeck.

The Reich Foreign Minister then told me that he had been informed by telephone that, according to reports received in Bayreuth, a large-scale slaughter of National Socialists had started in Austria, especially in Carinthia, where fighting was apparently still going on, and in Styria. The Reich Chancellor had suggested that third Powers might perhaps be induced to intervene. The Reich Foreign Minister had thereupon pointed out that this would be a delicate request to make and that we would have to proceed with caution. The Reich Chancellor was thinking of Britain in this connexion. The Foreign

¹ There is a question mark in Siegfried's handwriting at this point; it appears from another minute by Bülow, dated July 30 (3086/617285-87), that the conversation took place on the evening of Sunday July 29.

² See document No. 123.

Minister had consented only to the extent that it could be pointed out to Britain that Germany's peaceful intentions, which found expression *inter alia* in the appointment of Herr von Papen, would be defeated by a mass murder of this kind. I, for my part, said that in Britain the best thing to do was to appeal to the press in order to exert pressure on the Government. We agreed that I should telephone Hoesch and tell him to arrange something through Ustinow³ or Reuter. The Reich Foreign Minister thought that it might be possible to interest Yugoslavia. In this connexion I mentioned the rumours of an Italian invasion of Carinthia, but the Reich Foreign Minister did not think this likely and emphasized that an Italian invasion of Carinthia would mean war with Yugoslavia. He thought that Budapest might perhaps also be roused and Hungary induced to intervene in view of the continued fighting in Austria. He requested that if necessary Rome should also be informed of such action.

Finally the Reich Foreign Minister said that he would be in Stuttgart on Sunday [*sic*]⁴ morning and would therefore not be available, but that he would be back in Leinfelden by midday.

I then tried to ring up Hoesch but he was not in London. I thereupon sent telegrams to Budapest, Rome, London and Belgrade on the lines of the conversation which I had had with the Reich Foreign Minister.⁵

BÜLOW

³ Jona von Ustinow, Press Adviser to the German Embassy in London.

⁴ Presumably Monday is meant. See footnote 1 above.

⁵ The telegrams to Budapest (No. 75), Rome (No. 237), London (No. 244), and Belgrade (No. 71) were despatched at 11:25 p.m. on July 29 (8645/E605493-95). In telegram No. 37 of July 30 (8645/E605498), Heeren reported from Belgrade that, according to Yugoslav press reports from the frontier areas, large-scale fighting in Austria had ceased and about one thousand insurgents had so far crossed the Yugoslav border, and that Yugoslavia did not seem to fear an Italian invasion of Austria.

No. 135

6115/E454877

*The Foreign Ministry to the Reich Ministry of the Interior*¹

MOST URGENT

BERLIN, July 30, 1934.

[zu] II Oe. 1903.²

The view is becoming increasingly prevalent abroad that the question

¹ Copies of this letter were sent on the same day to State Secretary Lammers of the Reich Chancellery, to the Führer's Deputy, and to the Foreign Department [*Abteilung Ausland*] of the Reichswehr Ministry (6115/E454878-79).

² This was Paris telegram No. 1007 of July 27, 1934 (6115/E454876), in which Köster reported that the French Government were maintaining close contact with Rome and London over the Austrian question, and in particular the Austrian Legion, whose transfer to the north of Germany would deprive the French Government of proof of German duplicity.

of the fate of the Austrian Legion on German soil is acquiring international importance.

It has been reported that it is accordingly intended to disband the Legion and to transfer it to Labour Service Camps in the North. I should consider such a measure highly desirable and I expect reassuring effects of great international importance. I should be grateful if I could have official confirmation of this report without delay, if necessary after consultation with the competent Party authorities. Should the report be confirmed, I would furthermore request to be informed whether the measure may be expected to be carried out soon and whether the fact of the disbanding of the Austrian Legion may be made use of *vis-à-vis* other countries immediately.

By order:
BÜLOW

No. 136

8648/E605570

The Chargé d'Affaires in Austria to the Foreign Ministry

Telegram

SECRET

URGENT

No. 66 of July 31

VIENNA, July 31, 1934—1:15 p.m.

Received July 31—4:40 p.m.

II Oe. 1949.

While the French are awaiting developments, the Italians are endeavouring, as I have learned from an allegedly well-informed source, to frustrate the granting of the *agrément* for von Papen as they fear that if his mission is successful they will lose their present extensive influence in Austria. For this purpose they are also seeking to make use of certain Catholic circles, as well as the Heimwehr, amongst them, it is said, Cardinal Innitzer's¹ circle. On the other hand, the British and Yugoslavs, amongst others, are apparently exerting influence on the Federal Government to obtain a German-Austrian settlement. The fact that Tauschitz is meant to be returning to Berlin² within the next few days would indicate that the new Federal Government do not mean to disregard the intention, expressed in the Reich Chancellor's letter to Papen,³ of bringing about a *détente* in German-Austrian relations. [In order to get the Federal Government and especially the new Chancellor to adhere to this policy, adroit handling of Schuschnigg's presence here [*sic?* position]⁴ by the press

¹ Cardinal Theodor Innitzer, Archbishop of Vienna.

² Stephan Tauschitz, the Austrian Minister in Germany, had left Berlin in connexion with the changes in the Austrian Cabinet on July 10, 1934 (see document No. 112 and footnote 4 thereto); he subsequently returned to his post in Berlin.

³ Document No. 123.

⁴ The deciphering of these two words is marked as doubtful.

and, as far as possible, the omission of any kind of attacks on the new Austrian Government in the press would perhaps be advisable. The *agrément* for Papen is to be granted within the next few days. As I am informed in confidence, Schuschnigg and Buresch⁵ are said to be striving in this direction in opposition to the Heimwehr Ministers in the Government.]⁶

ERBACH

⁵ Karl Buresch, Austrian Minister of Finance.

⁶ This document, except for the passage in square brackets, was repeated to the Missions in Paris, London, Rome and Belgrade on July 31 (8648/E605573-74). A minute (8648/E605571) reads: "The press has been instructed accordingly. Submitted to Secretary of Legation Kordt. W[olf], July 31."

No. 137

8649/E605642

The Chargé d'Affaires in Austria to the Foreign Ministry

A 2165

VIENNA, July 31, 1934.

Received August 1.

II Oe. 1971.

POLITICAL REPORT

Subject: The clash of Italian and Yugoslav interests in Austria.

The Yugoslav Minister, Nastasijević, who maintains particularly close relations with the Legation, called on me today to discuss the state of affairs resulting from Dollfuss' death.

In the course of the conversation he emphasized that he had, with the express approval of his Foreign Minister, not only informed the Ballhausplatz but also the French and British Ministers here that the Yugoslav Government would not let the invasion of Austrian territory by Italian troops pass unanswered¹ and had pointed out to both Ministers the serious consequences of such action.

The French Minister denied that the Great Powers had given Italy a mandate to occupy Austria in the event of further unrest.

As to the Habsburg question, M. Nastasijević thought that this was perhaps not so much in the foreground now as it had been a few months ago.² Should it come up again, however, he was afraid that the new Federal Chancellor would, as a fervent Legitimist, take a different line from Dollfuss who, fundamentally, had been opposed to a restoration.

VIKTOR PRINZ ZU ERBACH

¹ See also document No. 134.

² See vol. II of this Series.

7644/E546306-08

The Military Attaché in Great Britain to the Foreign Ministry

SECRET

LONDON, July 31, 1934.

II M 1149.

[Extract]¹

... The question arises, what *reasons* have actually and at *this moment* led to a change in British military policy and [foreign] policy; for such it is.

The reasons are *political, strategic and psychological*. *Politically*, the method and *inscrutability* of Germany's air rearmament have set the ball rolling; especially the construction of fast bombers or aircraft which could be used as such in time of war. Moreover, the British Intelligence Service claims to have information about large orders for bombers placed in Germany. The fact that references to Germany in all recent speeches and debates² on aviation were much in evidence only during the last decisive stages in the House of Commons and that the Government moved very cautiously only goes to prove that, in the light of British affairs, the aforementioned views are right.

... The *psychological* reasons derive from the idea of avoiding the mistakes of 1914. It is increasingly believed that the 1914 war could have been avoided if the British attitude, namely, that Belgium's frontiers are Britain's frontiers, had been promptly and unequivocally defined.

The *moment chosen* for rearmament calls for an explanation. It is *before* the end of the Disarmament Conference and *after* the talks with *France*.³ The opposition clamoured for disclosure of the reason, especially in the House of Lords. It seemed inexplicable why "out of the blue the Government were expanding the air force by seventy-five per cent". The neighbouring States had had numerical supremacy for years.

The reasons given by the Government for the choice of this moment was simply empty talk. Its realization was made considerably easier by events in the international situation and by the present anti-German feeling which has never been known before.

... The British Secretary of State for War said in a speech at Torquay in the middle of June 1934⁴ that it was necessary to send an

¹ This is an extract prepared in the German Foreign Ministry. The original of this document has not been found.

² Presumably the debates in the House of Commons on July 13 and 30, and in the House of Lords on July 23. See *Parl. Deb., H. of C.*, vol. 292, cols. 671-758 and 2325-2443, and *H. of L.*, vol. 93, cols. 892-960.

³ See document No. 85.

⁴ Lord Hailsham made a speech at Torquay on June 15. The remarks here attributed to him do not appear in the report of his speech in *The Times* of June 16.

expeditionary force to the Continent so that Britain could be defended against air attacks. The establishment in the Low Countries of an enemy, powerful in the air, must be prevented.

At the same time a comparison should be drawn between this and Belgian press comments. According to them, "a suitable line of defence for Britain would be through northern France, Belgium and Holland. The precondition for this is an agreement with France (*accord défensif*)".

The present position is that at least one French-Belgian-British "exchange of views" (consultation) on constructive air defence measures has taken place.

It is possible and rather more probable that one such [consultation] has been held on the Locarno case as Britain now sees it.

The report originating from the Belgian press that the Chief of the British General Staff had inspected French frontier fortifications a few months ago would also fit into this pattern.

With reference to Holland there are *as yet* no clear and adequate indications of [its] inclusion in the British Air Ministry's defence system.

It now remains to draw some preliminary conclusions from this state of affairs. They are unpleasant. The British air defence frontier being along the Rhine⁵ is certainly a piece of British impudence but *not just empty talk*. There are other circles in Britain who would like to run this air defence boundary from the south of Germany to the mouth of the Ems!

The theories of the German General Staff and its disciples will *first of all* have to come spiritually to grips with this fact, regardless of the feelings it arouses.

It has been constantly and emphatically pointed out in reports that without Britain's tolerance Germany's rearmament in the air would be jeopardized. In view of the present pro-French attitude of the Conservative majority in the House of Commons, which had to be seen to be believed during the air debate in the House of Commons, and the extremely anti-German feelings amongst all those engaged in politics, it becomes a duty to inform the leaders in Berlin of the position in blunt language.

If German air rearmament continues independently as hitherto, it is hard to foresee the political consequences. Anything may happen then, in particular German land rearmament may also be jeopardized. . . .

FRHR. V. GEYR
Colonel

⁵ In his speech in the Commons debate on July 30 (see footnote 2 above) Baldwin had said: "Let us never forget this; since the day of the air, the old frontiers are gone. When you think of the defence of England you no longer think of the chalk cliffs of Dover; you think of the Rhine. That is where our frontier lies."

No. 139

6695/H100993-96

The Minister in Poland to the Foreign Ministry

Telegram

No. 67 of July 31

WARSAW, August 1, 1934—12:55 a.m.

Received August 1—3:50 a.m.

IV Ru. 4310.

With reference to our telegram No. 66 of July 30.¹

Today, making use of the instructions of July 17,² I explained to Foreign Minister Beck our interim attitude to the Eastern Pact, and, alluding to the absence of the Reich Chancellor and the Foreign Minister, hinted that we saw no reason for making hasty decisions on this complicated question.

M. Beck, who was very grateful for this full information, stated that he, too, in spite of the attacks by the press at home and abroad, was not going to allow himself to be perturbed. He then for his part gave the following *exposé* of Polish views, which he prefaced by saying that these views had so far not changed at all:

(1) Poland still regarded the method of bilateral agreements as the best way of settling international relations. This system had fully stood the test. In particular this method had made it possible to establish friendly relations with Germany. He must insist, and he had particularly stressed this in the proper quarters, that this success, which had not been easy to attain, be borne in mind by those who wished to endow us with fresh plans for security. The new pact could only find acceptance if there were no danger of compromising this success and if it really represented an improvement.

(2) The "Region" had been fixed "*au hasard*". The Powers whose common interests had created the concept of a "Region" must ultimately know best which States belonged together. Why Czechoslovakia, and why not Sweden and friendly Rumania?

(3) Although it was proposed to pacify Eastern Europe, there was no danger there. No aggressive tendencies of any kind could be detected. The considerable improvement in the situation was due to the Eastern Powers themselves. This should be acknowledged and borne in mind.

(4) People spoke of "Eastern Locarno" and thereby drew a parallel

¹ Not printed (6695/H100905-06). In this telegram Moltke reported that Beck, whom he had not yet seen, appeared to be satisfied with the results of his visits to Riga and Tallinn, though Poland's attitude to the Eastern Pact was more hostile than that of Estonia and Latvia. Szembek had told Moltke that the Eastern Pact amounted to a camouflaged military alliance between France and the Soviet Union.

² Document No. 92.

with "Western Locarno". The real point of Western Locarno, however, was the British guarantee, which was denied to Eastern Locarno. That was a gap in the new construction, and it made a great difference.

(5) The obligations to be undertaken were extremely far-reaching and needed careful study, over which Poland would not allow herself to be hurried. In addition, the data for this purpose were inadequate.

To my question whether he had found the same views prevailing in the Baltic States, Beck replied that on the whole he had.³ He had not undertaken the journey in order to make propaganda against the Pact, but in order to get to know the views held there. He had found in both States a calm and reasonable attitude. It was only natural that in such small States anxiety for their own security should be very much to the fore, and that a project which promised increased security should be studied with special interest; but, in the course of this study, doubts arose as to whether fresh safeguards were really being constructed, whether the obligations entailed were acceptable, and whether or not there were designs against any other States. In Latvia and Estonia too, the available data were not considered adequate to allow of sufficient study and developments were being awaited. In answer to a question, Beck said that opinion in both countries was, in general, the same, but the Latvian way of thinking was much more complex than in Estonia, where a simple and clear line of thought prevailed.

To my remark that the declarations made in Moscow by the two States sounded quite accommodating,⁴ Beck replied that if one read the declarations aright they tallied completely with his statements. They contained approval of the principle only and left open every possible opportunity for making reservations. The enumeration of the other participating States showed that it was desired to proceed only in agreement with those States.

I referred to the press report mentioned in your telegram, which alleged that in Riga and Tallinn the Pact was held not to be acceptable in its present form,⁵ whereupon Beck described the report as exaggerated and incorrect.

I then referred to press reports saying his journey was connected with efforts to procure increased security in Eastern Europe by other means. Beck replied that it might eventually come to that; at present there was no call for any such discussions.

I then asked the Foreign Minister what further developments he

³ For Beck's visit to Tallinn, see document No. 133, footnote 5. In report A 1446 of July 28 from Riga (6695/H100912-19), Martius had given an account of Beck's visit to Riga on July 26-27.

⁴ See document No. 133, footnote 3.

⁵ The reference is to a circular telegram to Riga, Warsaw and Tallinn of July 28 (6695/H100861) to which Warsaw telegram No. 66, cited in footnote 1 above, was a reply.

expected, whereupon he said that he had informed the propagators of the Pact of his doubts, but that so far he had received no reply. He could understand this silence, because it would not be easy to give him satisfactory information. He had not heard anything else either, and he still lacked a finished version of the project. He would wait quietly, and would make his decisions in accordance with further developments. He promised to inform me at once should there be any change in Polish views.⁶

To my remark that he personally appeared to be very unfavourably disposed towards the project, he replied sharply: "I certainly am."

MOLTKE

⁶ In telegram No. 70 of Aug. 8 (6695/H101073-75), Moltke reported that the French reply to the Polish observations on the Eastern Pact had recently been communicated by the French Ambassador in Warsaw; according to Beck the reply had contained nothing new and Poland's views remained unchanged.

No. 140

6695/H100939-41

The Minister in Estonia to the Foreign Ministry

Telegram

No. 34 of August 1

TALLINN, August 1, 1934—11:00 p.m.

Received August 2—3:05 a.m.

IV Ru. 4318.

The Foreign Minister, who returned today and whom I questioned about his conversations in Moscow, informed me that Litvinov had persistently demanded an unambiguous reply for or against the Eastern Pact and had repeatedly emphasized that he was only interested in a clear Yes or No. Thereupon Seljamaa had made the prepared statement made known through the Press Department, which represented the limit to which he could go.¹ On my remarking that that statement sounded much more definite than might have been expected from his conversations with Beck, Seljamaa thought that one could perhaps say there was a slight difference in tone, which might be explained by the happy atmosphere in Moscow. The general tenor of his statement, however, was in complete accord with the Estonian Government's previous attitude. They favoured any proposal which could lead to a consolidation of the situation in the East, but reserved the right to consider each case. The Foreign Minister added that Litvinov himself had no formulated text of a pact. Rather he had declared that at first the question for him was to ascertain which States were prepared to join. The States which were favourably disposed

¹ See document No. 133, footnote 3.

should then meet in conference and work out the text together. Seljamaa had thereupon pointed out that for Estonia it was of the greatest importance that Poland and Germany should take part. Litvinov had replied that Russia and France were determined, if occasion arose, to fulfil the plan even without Poland and Germany joining, and without the Baltic States too, if need be. Seljamaa had the impression that Litvinov attached less importance to the Eastern Pact than to an agreement with France about the Locarno guarantee and the possibility of France rendering Russia assistance.

As to German-Russian relations, Litvinov had said that he had endeavoured to achieve normal relations, but Germany was not willing. National Socialism was a threat to peace. Germany was also reaching out for the Baltic States, as had been shown by the "Fighters for Freedom" movement² in Estonia which was supported by Germany. Seljamaa alleged he had replied that the "Fighters for Freedom" movement had been liquidated, that Estonia did not feel in any way threatened by Germany, and that German-Estonian relations were completely satisfactory.

With regard to Russia's entry into the League of Nations, Litvinov had stated that that was not a question of decisive importance. Russia was prepared to enter on certain conditions, but was quietly waiting for a formal invitation.³

The key to understanding the varying statements made by the Foreign Minister to Beck in Tallinn⁴ and to Litvinov in Moscow may be found in Seljamaa's character: personally amiable and obliging, disinclined to make definite decisions, incapable of forming his own judgement on complicated situations or of making up his mind independently, his ultimate political wisdom lies in endeavouring to keep in with everybody as far as possible and saying whatever is likely to please anyone with whom he is dealing at the moment, at the same time always leaving himself a loophole. Consequently, his position in the Government is very weak. Decisions on all important questions are made by the President,⁵ who maintains complete reserve on the Litvinov-Barthou plan.

REINEBECK

² An Estonian organization of the extreme right. Its leaders were arrested and the movement prohibited on Mar. 12, 1934. The Legation in Tallinn reported on the Government proceedings against the "Fighters for Freedom" in despatches No. 695 of Mar. 15 (9023/E632204-14) and No. 743 of Mar. 20 (9023/E632215-27). No documents showing a link between this organization and German agencies have been found.

³ See also document No. 133, footnote 4.

⁴ See document No. 133, footnote 5.

⁵ Konstantin Päts.

No. 141

3086/617302

Memorandum by the State Secretary

BERLIN, August 1, 1934.

General von Reichenau rang me up at midday today about our letter to the Reich Ministry of the Interior¹ regarding the Austrian Legionaries. He thought we would achieve nothing in this way; we would do better to approach State Secretary Lammers. He had just had an hour and a half's discussion with the Reich Chancellor about the Austrian situation, and the Reich Chancellor had flatly declared that he intended to wind up the National Socialist Party in Austria and to disband the Austrian Legion, merely retaining a charitable organization for the care of Austrian refugees under the unimpeachable cover of the Red Cross.

I told Herr von Reichenau that I already knew the substance of his information. Herr Lammers had already told me something of the sort two days ago. What, however, mattered to me was not to know what was planned, for we could make no impression abroad with this, but to be accurately informed as to what stage had actually been reached in carrying out the Reich Chancellor's decisions. The actual or forthcoming disbandment of the Austrian Legion was something to make a point with abroad.

Herr von Reichenau appreciated these points and especially the fact that other countries expected deeds and not promises from us. He offered for his part to work for a definite and speedy settlement of the various Austrian questions.²

BÜLOW

¹ Document No. 135.

² See also documents No. 167, with footnote 17 thereto, and No. 183.

[EDITORS' NOTE. President von Hindenburg died on August 2, 1934, at 9 o'clock in the morning. He was immediately succeeded by Hitler who combined in his own person the office of Reich President and Reich Chancellor under a Bill promulgated by the Government within an hour after the President's death. On August 19 a referendum was held, in which the German people were asked to vote "Yes" or "No" for Hitler as "Führer and Chancellor", in which over 95 per cent of the electorate voted and just under 90 per cent of the valid votes were in favour.]

No. 142

8921/E624352-54

The Ambassador in France to the Foreign Ministry

Telegram

No. 1026 of August 1

PARIS, August 2, 1934.

Received August 2—1:30 p.m.

IV Rd. 3729.

The instructions contained in telegrams Nos. 396¹ and 400² have been carried out with the Secretary General, and a short memorandum on the infringements of the Memel Statute³ by the Lithuanian Government was left with him. Thereupon the Secretary General informed me as follows:

The Note I had communicated had been examined by the Ministry, as had also my requests as set out in items 1 to 3 of telegram No. 965 of July 17.⁴ The French Government took the view that the complaints could only be investigated by the body prescribed in the Memel Statute, namely by the Council of the League of Nations. The French Government could not, therefore, undertake the responsibility of initiating conversations on the complaints we had raised outside this prescribed authority. They would thereby quite rightly lay themselves open to the charge of not complying with the terms of the Memel Statute. In their view the German Government should bring these complaints before the Council of the League of Nations, which they were legally entitled to do, since their membership had not yet expired. For Germany to take such action with the Council of the League of Nations, would also, in Léger's view, be taken by France as a sign that Germany did not wholly reject the League of Nations.⁵

¹ Of July 28 (8921/E624347); this telegram, which was also addressed to London and Rome as telegrams Nos. 241 and 235 respectively, directed that the attention of the respective Governments be drawn to the DNB report of July 28 (M47/M001210) describing Lithuania's measures to prevent a quorum in the Landtag.

² Of July 31 (8921/E624351); this telegram, which was also addressed to London and Rome as Nos. 246 and 238 respectively, called attention to the DNB report of July 30 (M47/M001211) on the dissolution of the Landtag and directed that fresh protests be made to the respective Governments against the violation of the Memel Statute.

³ See Editors' Note, p. 137.

⁴ Not printed (8921/E624302); in this telegram Köster reported a conversation with Léger who, owing to the pressure of business arising from the London visit (see document No. 75, footnote 2) had not yet been informed of Forster's *démarche* (see document No. 75). The three points on which action by the Signatory Powers was requested were: 1) the calling for a full report on the case against President Schreiber, 2) the calling within 4 weeks of a full meeting of the Landtag in order to vote on a motion of confidence in the new President, 3) the suspension of recent decrees by the Lithuanian Government, pending a vote of confidence in the new President.

⁵ Marginal note on another copy of the document here printed (8921/E624355): "In my view, Köster ought immediately and on his own account to have rejected the suggestion that we should approach the League. Was he not instructed on these lines? Did not London reject the suggestion at once? B[ülow], Aug. 2."

From the further course of the discussion I gained the impression rather that our complaints had been very carefully and thoroughly studied by French lawyers and that the Foreign Ministry wished to deal with these complaints impartially. It seems to me justifiable to assume that the Signatory Powers have already exerted some influence on the Lithuanian Government.

I informed Léger that I would report his information to my Government, but I must again most earnestly draw the attention of the French Government to the dangers which might arise from the Lithuanian Government persisting in their course of action in violation of the Statute, or attempting to consolidate those violations of the Statute which had already taken place. In my opinion the Signatory Powers should immediately take all necessary measures in order to prevent the Lithuanian Government from putting such plans into effect, so that the legal procedure provided for by the Memel Statute should not be forestalled.

Continuing, I remarked that the statements about France's attitude in the Memel dispute made by Pfeiffer, Daladier's former *chef-de-cabinet*, during his stay in Kovno had caused me acute anxiety, since he had let it appear as though he were representing the views of the French Government. The Secretary General replied that Pfeiffer had had no official instructions for his visit, moreover nowadays he was a purely private person, and was therefore alone responsible for what he said. The Government declined all responsibility for him. I shall probably see Barthou next week before he begins his five weeks' holiday (which he will spend in Switzerland) and will again make representations to him.

KÖSTER

No. 143

8645/E605504; 506-11

*The Head of the Volksbund für das Deutschtum im Ausland to the
Foreign Ministry*

STRICTLY CONFIDENTIAL

BERLIN, August 2, 1934.

Received August 2.

II Oe. 2021.

Herewith I respectfully submit a report from Austria.¹

Heil Hitler!

STEINACHER

[Enclosure]

Copy

VIENNA-RAAB, July 31, 1934.

As I was able to ascertain, it was thought—also by the provincial

¹ This covering note is marked: "To State Secretary Lammers for submission to the Chancellor. Please return. v. N[eurath], Aug. 8." It is stamped: "The Chancellor is informed."

representatives invited to the conversations last week—that an uprising would only have a chance of success in about two months' time. It is of course possible that some people in certain individual sectors had been pressing for immediate action, but the timing itself probably came as a complete surprise everywhere. The equipment was hardly in working order even in Upper Styria; in the other areas there were admittedly many thousands of reliable SA men, but no arms, or not enough arms, and above all no ammunition. It is generally agreed—as I have for months been hearing everywhere—that not enough attention was paid to these all-important questions because people were counting on the arms of the Army and the Police. All the grave warnings given by our people, who know the local conditions, were time and again to the effect that success could only be expected from cooperation with the Army and the Police, not from fighting them; witness the February revolt of the Marxists,² who were much better armed.

The most serious and irresponsible mistakes were made right at the beginning:

The first was to make the Government resign under pressure whilst the Vice Chancellor was in Italy,³ thus showing that the situation was completely misjudged. The Duce would naturally make use of him so as by this means to reinstate the "legal Government" against the usurpers, and St[arhemberg] would of course be the man to accept such help. After all, there is the example of what happened in 1849 in Hungary⁴ (with which, in any case, I see remarkable resemblances, whose lesson, however, has unfortunately not been learned now any more than it was in February). The second mistake which was made in the local preparations was the lack of arrangements for conveying messages from the Office of the Federal Chancellor—this had apparently been overlooked—to cancel the action should the members of the Government leave the building prematurely. For it was even more senseless to undertake the action when, barely a quarter of an hour later, it was already possible to assemble a "legal" government under Schuschnigg, thus defeating any possibility of forcing the hand of the Army and the Police by means of a proclamation. But to all appearances the "up and coming men" simply waited to be fetched in in triumph after everything had been done by the smaller fry who were the ones who had to risk their necks. Hence the almost pathetic broadcasts, which were of course everywhere recognized as attempts at

² See vol. II of this Series.

³ For Prince Starhemberg's visit to Italy in July 1934 see document No. 112, footnote 9.

⁴ The reference is to the Hungarian rising, led by Kossuth, against the Austrian Empire which was crushed in 1849 with the aid of Russian intervention and followed by severe repression.

mystification because they were not followed up. Instead of our best men, even at the risk of sacrificing themselves, continually "addressing the people" and thereby clearly conveying the seriousness of the situation to the outside world, *eleven* men were allowed to destroy the broadcasting station and thus the most valuable opportunity—namely that of creating the right atmosphere and of explaining—was thrown away. Confidence in success was so great that the simplest things were overlooked. For what purpose are there thousands of SA people in Vienna if the broadcasting system, the most important weapon, could not be put out of action for a few hours, or if this were not possible, be *efficiently* destroyed. Nothing of the sort was done! I will not say any more about Rieth's *naïveté* in letting Neustädter-Stürmer and Fey⁵ make use of him, only to be held up afterwards to the world by the same people as "the protector of the Chancellor's murderers". That is typical! Of course the man is no great loss, but it gave the signal for the attack on the Reich. Incidentally you probably know about the description of Rieth in the *N[eu]e Z[ürcher] Z[ei]tung*], if not I will get it for you.

Naturally, the wireless announcement caused nothing but disquiet in the *Länder*. According to various accounts the subsequent broadcast reports from Munich—I did not hear them myself—were not very cleverly done or very satisfactory. When Fey spoke on the Vienna wireless in the evening, it naturally had a shattering effect since he was known to have been locked up in the Office of the Federal Chancellor and it was therefore clear that the affair had misfired. Incidentally, it is interesting that though there was hardly any direct understanding regarding the timing between the leaders of the Vienna action and Neubacher, Riedl,⁶ etc. (who are now under arrest), they must, as I myself seemed to gather from various conversations, have been counting on him [Fey] becoming Chancellor, possibly with their assistance. Great excitement was caused in the German Club by the broadcast news—which was after all harmless enough. It would have been better if the gentlemen had spoken to the "people of Austria" from the Johannesgasse,⁷ which would have been the place for these politicians!

Towards evening demonstrations were started at Donawitz and Seegraben, at first without bloodshed. The gendarmes withdrew to Leoben. In Innsbruck, Hickl, the much hated Chief of the municipal Schutzmannschaft,⁸ was shot dead as a signal to start. Nothing more happened for a while. It was only during the night that rioting began

⁵ See documents Nos. 115 and 119.

⁶ National Socialist Gauamtsleiter in Vienna and Styria respectively.

⁷ i.e., from the studios of the Austrian broadcasting company, Ravag, in the Johannesgasse in Vienna.

⁸ A local defence formation.

in earnest in different parts of Styria (Leoben, Judenburg, Western Styria, and frontier regions in Lower Styria) and heavy shooting began with serious losses on both sides. But everywhere the disastrous effects of the failure in Vienna, which had in fact completely destroyed the chances of success, immediately became evident.

At no point did the Army and the Police refuse to obey, and this sealed the fate of the military uprising, because it had always been realized that it would never be possible to succeed *against* the Army and the Police.

Thursday⁹ saw complete confusion in Styria. Radio Munich—I did not hear it—is said to have spoken continually of places which were “still” held by the SA, thus creating a Lemberg atmosphere,¹⁰ since there was no news from any of the other *Länder* and also because the Munich reports became more and more confined to the official Austrian reports and to quoting foreign press comments, etc. Then came the news of the Papen letter,¹¹ which naturally had the most shattering effect in the ranks of the activists. So it happened that a real feeling of despair, ignorance of the situation and lack of all communication, etc., brought about the capitulations in Styria which were naturally followed in the course of Friday by a flood of arrests in the smaller places. Who has been affected by all this, I cannot say; I only heard on Saturday that an order had been given by Vienna to assemble in Leoben for the time being those arrested in Upper Styria. Arrests there had only just begun. The fighting was severest in the area of the Pyhren Pass but, as I have already said, it was from the start hopeless to fight *against* the Army and the Police. It was once again, as in February, simply a struggle of small organized groups (mainly twenty-year olds) who despite the greatest readiness to make sacrifices were naturally bound to prove militarily inferior. Lack of experience and training!

Not until the night of Thursday to Friday was Carinthia to begin—in itself a serious mistake, which was taken in Styria, as in the Tyrol, to mean that nothing was to be done there; in the latter case, when the situation was understood (the attitude of the Army and the Police), the action was not allowed to begin. The Heimwehr started mass arrests in the manner announced, in the course of which serious excesses occurred which even caused some deaths. Altogether over a thousand people were arrested in the Tyrol. Admittedly only some of them were leaders, but nevertheless the majority was in consequence compelled to hide, which meant that large-scale actions were hardly to be expected. In Carinthia, SA units assembled on Thursday afternoon, but even while assembling they clashed with the Army and

⁹ July 26.

¹⁰ This refers to the announcement “Lemberg is still ours” repeatedly published in the Austrian press during the fighting in Galicia in August and September 1914.

¹¹ Document No. 123.

other bodies of the Executive, causing fierce fighting with heavy casualties to break out, for instance near Annabichl where there were nine SA dead as a result of an attack by a company of the Deutschmeister.¹² By this time the whole of the country was already in a state of the greatest alarm. Admittedly, on Friday Upper Carinthia and the line Glantal (1,500 Kernmayer peasants), Feldkirchen, St. Veit, Völkermarkt, Bleiburg, Eisenkappel, were in the hands of the SA and officials were even being appointed in the occupied regional headquarters [*Bezirkshauptmannschaft*], but again it was the same story. Already at the outset the leaders had been convinced that the situation was hopeless and the fact that Munich had called the whole thing off (e.g., the recall of Habicht at this stage¹³) created great confusion; in addition there were mistakes in organization, difficulties in command, inadequate battle training and shortage of ammunition (St. Veit) which gave the Army and the Police the opportunity of regaining lost ground. It is characteristic of the attitude of the Army and the Police—we, of course, were never believed when we predicted it!—that, for instance, Major Smolej who fell in the assault on Völkermarkt is a member of the Party and that Kappitz, who for a long time has not even been allowed to have a command, captured Feldkirchen. However, the man in the ranks can do nothing but obey—he is, after all, much too much of a soldier. How did such miscalculations come to be made! It is not surprising that, in the circumstances, there is a very great bitterness in Carinthia and that Munich's action is described as a "crime". I have heard people say: "H[itler] said that June 30 claimed 76 victims. That was several too few, and they were in the Landesleitung!" This is indeed significant! As I heard on Saturday evening in Carinthia, further orders to fight had nevertheless been sent there. Is such duplication not a disaster? Thus the remnants of our own front were crushed—do people realize what sacrifices are senselessly being made in this way? Austrian propaganda has quite rightly recognized that as regards foreign countries it was important to make it clear that only relatively *small* groups, out of all proportion to the total number of adherents, had been engaged in the fighting. In fact, substantial reserves were quickly brought up, but they were largely without arms, which had been considered unnecessary. We are now paying heavily for this. The "masses" are lacking. We are unable to prove that they exist and, at the moment when the matter was becoming really dangerous Italy intervened and her Consul at Klagenfurt¹⁴ enquired twice on Friday of the *Land* Government and of Barger¹⁵ whether he should not give the order to march. "The most

¹² The name given to the 4th Infantry Regiment recruited from Vienna and its suburbs.

¹³ See document No. 122 and footnote 3 thereto.

¹⁴ G. Arndt.

¹⁵ Col. Eduard Barger, Director of Security for Carinthia.

modern weapons of war had been made available!" Is it really intended in Munich to sacrifice our best people for the sake of prestige? Is there no stopping this? We have long ago realized here that the present course has become impossible and will only bring frightful disaster even if the war of terror were to be continued! As far as foreign policy is concerned, the element of surprise is no longer effective. Intervention can no longer be prevented. At home all the horrors of persecution will now be unleashed against our people, with the approval of "the whole of Europe", which wishes to cover up the general offensive against the Reich. In Munich, where people are obsessed with an idea, they have perhaps no conception of the disaster this affair has brought upon our people and of how all forces hostile to us are now, strengthened by so-called moral indignation, condemning all that is German. Is there no escape from these disastrous ideas? The Schuschnigg era is precisely what we have been wanting to avoid at all costs. Looking back upon the past year we find that all the things we tried to prevent have happened; we have in fact been left out in the cold not because we ourselves were too slack, or confused, but because we have obeyed. Can you understand how bitter the best of us feel? As things are going I can hardly see any possibility of saving the Austrian Alpine area from "neutralization", i.e., from foreign influence. For this our people, who were not equal to the task, are to blame. Italy would never have gained this position if she had not been helped! Under the pressure of the situation Hungary is thinking of an Otto¹⁶ solution. The Schuschnigg dictatorship seems to be hastening this on. Whether an understanding between the Heimatwehr, Fascism, and the Christian Socialists will not, after all, be reached on this basis, as being the "lesser evil" as long as the Reich's road into Austria is barred, cannot be foreseen. At the moment the Heimatwehr has once again proved the weaker partner, but not the less astute in creating legends.

¹⁶ This refers to a possible restoration of the Habsburgs, Archduke Otto being the Pretender to the Throne.

No. 144

8921/E624856-57

The State Secretary to the Embassy in France

Telegram

URGENT

BERLIN, August 3, 1934—9:20 p.m.

No. 410

[zu] IV Rd. 3729.¹

For the Ambassador personally.

With reference to your telegram No. 1026.¹

The French Government's view that they cannot discuss the Memel

¹ Document No. 142.

question outside the formal procedure of the League of Nations, and that Germany must therefore make her complaints to the League of Nations Council, is by no means correct. It is tantamount to saying that the Memel question may not be discussed through normal diplomatic channels. That we are entitled to draw the attention of the Signatory Powers through diplomatic channels to their responsibilities cannot be disputed. The possibility, which still formally exists, of our bringing up the Memel affair before the League of Nations Council, is of course quite out of the question. On this, see despatches Nos. IV Rd. 3099 of July 3,² and IV Rd. 3199 II of July 16.³

Should you think that your conversation could have left Léger in any doubt as to our views on this matter, you should avail yourself of the first opportunity that offers to make our point of view absolutely clear.⁴

BÜLOW

² See document No. 67, footnote 2.

³ Not printed (9816/E691148); this despatch forwarded to Paris and Rome copies of telegram No. 205 to London of July 5; see document No. 68, footnote 2.

⁴ In telegram No. 1031 of Aug. 5 (8921/E624361-62), Köster replied that, while he was fully aware of the prescribed attitude to the League, had he over-emphasized this, Léger might have stood firm on the formal legal standpoint and prevented any discussion on the merits of the question. A second copy of this telegram (8921/E624363) bears the following marginal notes: (i) "State Secretary: I propose that we refrain from further instructions to Köster. K[öster] is now completely in the picture. Meyer, Aug. 6." (ii) "Köster is sailing very close to the wind. If Léger uses disloyally one of last week's statements, France can disinterest herself in the Memel question, as Köster (unwisely) said he would ask Berlin. B[ülow], Aug. 6."

No. 145

2406/510860-61

Memorandum by the Foreign Minister

BERLIN, August 3, 1934.

RM 891.

[II Fr. 2723].¹

The French Ambassador called on me yesterday to convey his own condolences and those of his Government on the occasion of the death of the Reich President.

M. Poncet then, however, began at once to speak of his personal affair,² complaining that not only had he been given no satisfaction

¹ Taken from the working copy (7810/E566610-11) to which is attached a partially damaged minute (7810/E566609) which reads: "[State] S[ecretary]. Should Paris be informed? [?] despatch of July 27, [19]34 [document No. 129]. [?] It is] my view that we should not [?] inform] Köster at this intermediate stage, but wait and see whether the Reich Chancellor will [?] with him in the near future. Köpke, Aug. 4."

² See documents Nos. 64, 97, 110 and 129.

by the Reich Chancellor but that in his speech in the Reichstag³ the Reich Chancellor had even expressly referred to the alleged relations with Röhm and Schleicher despite the fact that he, Poncet, had previously assured me on his word of honour that no political relations had existed between himself and the traitors.

I explained to Poncet that, for one thing, the Reich Chancellor had never mentioned M. Poncet's name but had only spoken of the representative of a foreign Power, to which the Ambassador replied that the Minister for Propaganda, Herr Goebbels, had, however, overtly and by all the means at his disposal, had him, Poncet, designated as the foreign Ambassador concerned. After he had given his word of honour that his relations with the traitors had at no time overstepped the bounds of the purely social, he and his Government must demand that we for our part accept this assurance as absolutely true, and he must attach great importance to being informed by the Reich Chancellor by some means or other that he enjoyed his confidence. Poncet thought this could perhaps be done on the occasion [*sic: anlässlich*] of the signing⁴ of the German-French Commercial Agreement, in the realization of which he claimed a considerable share.

I told M. Poncet that I would inform the Chancellor of his statements and let him know of the Chancellor's decision in due course.⁵

V. N[EURATH]

³ See document No. 110, footnote 2.

⁴ As the Franco-German Clearing Agreement was signed on July 28, 1934 (see document No. 108, footnote 2), Poncet probably meant that he might be received as a sequel to the signing of the Agreement.

⁵ See document No. 178.

No. 146

3086/617307

Memorandum by the State Secretary

BERLIN, August 3, 1934.

The Austrian Chargé d'Affaires¹ called today and conveyed to me on behalf of the Foreign Minister, who was prevented from coming, the condolences of the Austrian Government "as well as of the whole of the Austrian people" on the death of the Reich President.² I thanked him and we then briefly discussed the funeral arrangements.

I then expressed my surprise that the *agrément* for Herr von Papen³ had not arrived yet and gave him to understand that we saw in the delay in according the *agrément* an act of unfriendliness. Our generous gesture of reconciliation had obviously not been correctly understood

¹ Counsellor of Legation R. Seemann.

² See Editors' Note, p. 281.

³ See document No. 123, footnote 3.

in Vienna. If by any chance it was intended not to accord the *agrément*, we would have to regard this as a declaration of diplomatic war. The Chargé d'Affaires assured me that he had only yesterday spoken on the telephone with Secretary General Peter⁴ about this question and had been told that the *agrément* would definitely be accorded. It was simply a matter of the Federal Government having had to take very urgent and important decisions, following the events of July 25,⁵ which could not be put off. Herr Tauschitz would bring with him, if not the *agrément* itself, then definite information about the date on which it would be accorded.

In conclusion the Chargé d'Affaires expressed his thanks for the attendance of Vice Chancellor von Papen and a number of officials of the Foreign Ministry at the requiem mass for Federal Chancellor Dollfuss on August 2.⁶

BÜLOW

⁴ Franz Peter, Secretary General of the Foreign Affairs Department of the Austrian Federal Chancellery.

⁵ See documents Nos. 115 and 119.

⁶ In a further memorandum of Aug. 3 (3086/617309), Bülow recorded that the Austrian Chargé d'Affaires had called on him again later in the afternoon and had said that he had telephoned to Secretary General Peter who stated that the question of the *agrément* for Papen would be discussed at the Cabinet meeting next week and that it would indubitably be granted. In memorandum RM 893 of Aug. 4 (3086/617312-13), Neurath recorded that Tauschitz, who had returned the previous evening to resume his post of Austrian Minister in Berlin, had that day given him a similar assurance. The *agrément* was accorded on Aug. 7.

No. 147

8113/E581502-03

*The Reich Minister of the Interior to the State Secretary
in the Reich Chancellery*

TOP SECRET

BERLIN NW 40, August 4, 1934.

No. III 1859/3172 II

Received August 5.

Rk. 7087.

Subject: The Reich Concordat.¹

With reference to your letter of July 16, 1934—Rk. 6090.²

Further to my conversation with the Reich Chancellor on July 31, 1934, I would now suggest that the proposed statement by the Reich Chancellor regarding a settlement of the dispute with the Catholic Church be couched as follows:

“Now that the differences, formerly frequent, between the State and the Catholic Church have been composed by means of exhaustive negotiations, I am making it incumbent upon all State and Party

¹ See document No. 50, footnote 1.

² Document No. 91.

administrative offices [*Staats- und Parteidienststellen*]³ to refrain from making any kind of disparaging remarks either about the Church's religious and moral doctrines or about ecclesiastical institutions and persons. Where there appears to be cause for intervention, this will be solely a matter for the competent State authorities. It is inadmissible and hereby strictly prohibited to take any kind of individual action.

The National Socialist State and the NSDAP are opposed to any interference in religious controversies. All State and Party administrative offices shall, in particular, refrain from proselytizing on behalf of any kind of religious movement."

The alteration, approved by the Reich Chancellor, in the draft transmitted with my letter of July 7, 1934,⁴ is brought out by under-scoring.

We have so far not received the consent of the Holy See, which is the *prerequisite* for the proposed statement by the Reich Chancellor, to the agreements with the authorized representatives of the German Bishops described in my above-mentioned letter.⁵

FRICK

³ The sole alteration from the previous draft consists in using the term "*Staats- und Parteidienststellen*" (State and Party administrative offices) in place of "*Staats- und Parteistellen*" (State and Party offices).

⁴ See document No. 91, footnote 1.

⁵ In his reply of Aug. 14 (8118/E581504) Lammers stated that the Führer agreed to this text.

No. 148

6695/H101047-48

The Chargé d'Affaires in the Soviet Union to the Foreign Ministry

Telegram

TOP SECRET

Moscow, August 5, 1934—11:43 p.m.

URGENT

Received August 6—2:47 a.m.

No. 194 of August 5

IV Ru. 4351.

The Italian Ambassador called on me today, despite its being Sunday, to give me, in strict confidence, the following information:

He had had a very important conversation with Litvinov yesterday evening. He had asked Litvinov what the future of German-Soviet relations should really be. Litvinov had replied that he would gladly re-establish friendly relations, but this would only be possible when Germany had given the Soviet Union real guarantees of non-aggression. The Italian Ambassador had then enquired about the Eastern Pact, whereupon Litvinov answered in a way which did not sound very hopeful. To a further question by Attolico as to what would happen if the Eastern Pact did not materialize, Litvinov had flatly replied

that there would then be a Franco-Soviet pact. On Attolico pointing out that that would result in a final rupture of German-Soviet relations, Litvinov apparently replied that he considered it quite possible and desirable that Germany should participate in the Franco-Soviet pact. Attolico had then again asked if he would also hold this view should the Eastern Pact not come about, and Litvinov expressly affirmed it.

Attolico then explained to me very clearly what great possibilities were afforded to Germany by this attitude of Litvinov's. The Eastern Pact with all its pitfalls might be brought to naught, the question of equality of rights solved in a practical manner, and the danger of German isolation removed. A tripartite pact would be under the aegis of the League of Nations, and automatic definitions of the aggressor and automatic sanctions would drop out and the Soviet Union would be kept out of Western Locarno. He believed that such a development would be warmly welcomed by his own and by the British Government; consequently, he had telegraphed about it to Rome during the night. In view of the extreme importance of the matter, he asked me to keep his friendly information strictly secret.

I avoided expressing any opinion of my own during the conversation and only tried, through questions, to obtain as clear a picture as possible.

TWARDOWSKI

No. 149

3086/617320-22

Memorandum by an Official of Department II

BERLIN, August 7, 1934.

e.o. II Oe. 2047.

Brigadeführer Rodenbücher (Reich German), leader of the Austrian SS, who has for some time been known to me as a quiet and sensible man, called on me at midday today to inform me that the Führer had entrusted him with the task of disbanding the Landesleitung Austria and of organizing the Relief Agency. The order, which he submitted to me and which had been signed by the Führer's Deputy¹ on August 3, reads as follows:

"The Führer has ordered that the Landesleitung Austria be dissolved at once. The reasons for this dissolution are ones of foreign policy. Appropriate provision will be made for the members of the former Landesleitung Austria.

SS-Brigadeführer Rodenbücher has been charged with winding up the former Landesleitung Austria and with organizing the Relief Agency for Austrian refugees, surviving dependants, etc. All members of the former Landesleitung are forbidden on pain of the severest

¹ Rudolf Hess.

penalties to participate in any kind of illegal associations or activities. All orders by Brigadeführer Rodenbücher must be obeyed unconditionally. All assets of the former Landesleitung and of its subordinate organizations shall immediately come under the administration of the Commissioner."

Brigadeführer Rodenbücher added in explanation of this order that he had nothing to do with political questions concerning the Austrian Party, and that, on the contrary, the Party in Austria was to be regarded as dissolved and all its organizations (such as Gauleitungen, NSBO,² etc.), as disbanded.

He considered that his chief task was the speedy organization of an adequate relief agency for surviving dependants and refugees. This included the fulfilment of promises made and assurances given to non-National Socialist politicians (such as Pan-Germans, Landbund). Rodenbücher intends to go to Yugoslavia at the end of the week to organize the relief for the Austrian refugees, of whom there are about 2,000, and asked for the Foreign Ministry's support. I urgently advised Herr Rodenbücher to organize the relief, for which he has sufficient funds at his disposal, exclusively through the Red Cross and to avoid most scrupulously any appearance of National-Socialist Reich German influence. In reply to a question, I further explained that for reasons of foreign policy there could be no question of the Foreign Ministry giving open support in this matter, nor would it be in the interests of the refugees either. Herr Rodenbücher fully understood this, and intends to get in touch with the Red Cross today about all details and to organize an appropriate relief agency.³

During the conversation Rodenbücher also touched upon the question of whether the Austrians who had fled to Yugoslavia should stay there or be transferred. Here too we were in agreement that their transfer to Germany, which he had at first planned, was not expedient.

Finally, Rautter, the Reich Leader of the Austrian Kampfing who was with Herr Rodenbücher, said that the decree issued by the Führer's Deputy regarding the dissolution of the Landesleitung etc. did not include the Kampfing, which would continue its work, although it would curtail its activities to the utmost and confine itself to fostering the cultural life of the Austrians in the Reich. I left Herr Rautter in no doubt that the activities of the Kampfing so far had given rise to very serious complaints, and that, if it continued at all, it would have to be drastically reorganized.

HÜFFER

² NS-Betriebszellen Organisationen, i.e., National Socialist workshop organizations.

³ A memorandum of Aug. 8 by Hüffer (3086/617324-26) records a conference on the setting up of a relief organization held that day between officials of the Foreign Ministry and Draudt (representing the German Red Cross), Rodenbücher and Rautter. The meeting took note of the wish of the Führer's Deputy that no illegal means should be employed.

No. 150

8650/E605712-20

The State Secretary in the Reich Chancellery to the Foreign Minister

Rk. 7077

BERLIN, August 7, 1934.

Received August 8.

II Oe. 2055.

In accordance with your request, Prot. 4905 V 61 of August 4,¹ the Reich Chancellor granted a special audience to the Royal Hungarian Foreign Minister, de Kánya, on August 6, after receiving the special envoys and delegations sent to attend the funeral service for the late Reich President.² Please refer to the attached memorandum for the substance of the conversation held on this occasion.

DR. LAMMERS

[Enclosure]

MEMORANDUM ON THE CONVERSATION BETWEEN THE REICH CHANCELLOR AND THE ROYAL HUNGARIAN FOREIGN MINISTER, DE KÁNYA, ON AUGUST 6, 1934

zu Rk. 7077.

Foreign Minister de Kánya began the conversation by reviewing Hungary's political situation which was characterized by a struggle, which had lasted for many years, against the setting up of a Danubian Federation. According to the plan of the Czechoslovak Foreign Minister, Beneš, the five Danubian States were first to draw closer together economically in order thus to bring about an improvement in the political atmosphere between the various States. Thereupon the Danube region was to be organized in the political sense as well, and this on the basis of the *status quo* created by the Treaty of Trianon.³ In Beneš' opinion the object of this league of States should be to eliminate the influence of the Great Powers on the Danubian Federation.

Hungary's foreign policy had seen a long series of separate actions against the course advocated by Beneš. Czechoslovakia had made any number of attempts at a *rapprochement*. Each and all of them had been rejected by Hungary, with the one result, however, that Beneš had told the Hungarian Minister in Prague,⁴ that Czechoslovakia could wait until such time as Hungary would be compelled, even against her will, to join the Danubian Federation.

¹ Not printed (9614/E678574).

² See Editors' Note, p. 281.

³ Treaty of Peace between the Allied Powers and Hungary, signed at Trianon on June 4, 1920, and ratified on July 26, 1921. For the text see *B.F.S.P.*, vol. 113, pp. 486-646.

⁴ János Wettstein de Westersheimb.

To him, Foreign Minister de Kánya, too, Beneš had proposed the conclusion of a press agreement between Hungary and Czechoslovakia, from which he expected an improvement in the atmosphere. He had declined this offer on the grounds that the Hungarian press could not be prevented from discussing the fate of the Hungarian minorities in Czechoslovakia and that for this reason alone the press agreement proposed by Beneš would prove to be one-sided.

Rumania, too, had not failed to make attempts at a *rapprochement*. Rumania required Hungary to abandon her territorial claims; the frontier between the two countries would then automatically disappear, and peace and friendship would reign.

It was clear that Hungary could never negotiate with Rumania on this basis.

In contrast to Czechoslovakia and Rumania, the third State of the Little Entente, i.e., Yugoslavia, had shown herself less zealous because of her strained relations with Italy, who was known in Belgrade to be supporting Hungary's revisionist claims to a considerable extent.

Fortunately Hungary's relations with Austria had improved considerably of late, thus breaking the ring surrounding Hungary at least at this point.

Her situation being what it was, Hungary was concerned that Germany should make common cause with her regarding the Danube region. Hungary had German-Italian and German-Austrian relations very much at heart. The Danube question could not be solved either in opposition to Hungary or without her. Collaboration between Hungary and Austria, supported by Germany and Italy, was therefore desirable.

The Reich Chancellor asked His Excellency de Kánya how he visualized such support, while the ideology prevailing throughout the German nation was being suppressed with fire and sword in a country which was her neighbour. Germany naturally recognized the Austrian Government under International Law but it could not be overlooked that they were not firmly established amongst their own people. The German people agreed to all his measures because they were convinced of the legality of his position. The same could not be said of the Austrian Government. If the Austrian Government were able and willing to prove that they constituted the absolute majority of the German people in Austria, then German resistance to cooperation with Austria would automatically wane. Conditions being what they were, however, he could only compare them to the spiritual struggle at the time of the Reformation. He had been acknowledged by the German people as the Führer because the German people held that he, best of all, gave expression to the will of the people. The Austrian Government, however, had rid themselves of the obligation of keeping in touch with the people. Even he, the Reich Chancellor, could not

govern against the will of the people, but this was the error which the Austrian Government had committed. He was deeply grieved by the death of Federal Chancellor Dollfuss,⁵ but he must state most emphatically that Germany was in no way responsible for it and that, on the contrary, conditions in Austria had automatically brought about this sad event. The new Austrian Government had made a great mistake in not respecting the agreement on safe-conduct⁵ and in carrying out two executions⁶ which would produce martyrs for the National Socialist movement to the Government's own disadvantage, in the same way as the eleven Hungarian leaders, executed by the Austrians in 1849,⁷ had become martyrs for the whole of the Hungarian nation. He, the Reich Chancellor, could not, therefore, see eye to eye with Austria where foreign policy was concerned, for foreign policy was not a game with imaginary forces, but depended on conditions at home.

As to German-Italian relations, his friendship with Mussolini did indeed matter more to him than the whole of the Austrian State.

Foreign Minister de Kánya said that while attending the funeral service for Dollfuss in Vienna, he had gained the impression that in Austria's view the best of relations could be established between Germany and Austria within forty-eight hours, provided Germany did not in future intervene in Austria's domestic affairs and in the formation of the Austrian Cabinet.

The Reich Chancellor emphasized that the German Government had never meddled in Austria's domestic affairs. Whereas Austria was constantly accusing Germany of doing so, he was in possession of evidence to the effect that Germany's intervention in Austria's domestic affairs on specific occasions had been much desired by highly influential Austrian statesmen, led by the late Federal Chancellor Dollfuss himself, though it had admittedly been connected with financial conditions. He would not hesitate, if need be, to publish documents about these Austrian attempts at a *rapprochement*. Germany did not aspire to the acquisition of territory through the *Anschluss* of Austria. He was in the process of turning Germany into a powerful Reich, which would probably take decades. The union of Austria with Germany would not, however, be likely to lend the German people wings. Moreover, Austria's *Anschluss* with Germany would mean that Germany would have to take over all economic and financial commitments which today, as a "poor Reich", she would not be in a position to do.

Even if a purely National Socialist Government were to come into force in Austria, this would not ease Germany's burden. He was

⁵ See documents Nos. 115 and 119.

⁶ Otto Planetta, the murderer of Dollfuss, and Franz Holzweber, the ringleader of the insurgents in the Chancellery, were executed on July 31.

⁷ See document No. 143, footnote 4.

merely demanding that the oppression of a large section of the German people in Austria should cease, and he thought that he could count on Hungary's sympathy for Germany as a neighbour in making such a demand, for Hungary could not keep up a friendship either with a country within whose borders people of Hungarian stock were being oppressed.

The only possible solution, which he had discussed with Mussolini in Venice,⁸ seemed to him that an honourable and neutral man should come to power in Austria. After Dollfuss' death, there had been a good opportunity for this but unfortunately it had not been grasped and a clean break with the past, such as he had made on January 30, 1933, when he formed a Government in which even to this day members of his Party were well in the minority, had not been made. As already stated, a purely National Socialist Government could not be tolerated in Austria. If he, the Reich Chancellor, were asked for his advice, he would refuse to give his support to a National Socialist Federal Chancellor in Austria. Although the German Government and the German authorities did not meddle in Austria's internal affairs, it was nevertheless by reason of the many links between Germany and Austria quite inevitable that all kinds of relations should continue to be maintained between the two countries, even if he were to forbid all Reich Germans to work in Austrian agencies set up in the Reich, to disband the Landesleitung for Austria, and to amalgamate the Austrian Legion with the German Voluntary Labour Service.

Reconciliation with Austria would not be so difficult if there were not certain other forces working from outside which did not wish Austria well. If present conditions continued, he could foresee that the Austrian State would meet its end in the near future. This could only be prevented by a reconciliation with Germany on the basis he had described. He had been asked whether, after Herr von Papen's appointment as Minister in Vienna,⁹ the closure of the frontiers to German tourists might be abolished. As long as the present state of affairs in Austria continued, it was unfortunately quite impossible to abolish this closure, for if Reich German tourists were to display and wear the German emblem on Austrian soil, this would, in view of the present oppression of the National Socialist movement in Austria, in all probability cause an incalculable number of incidents, the consequences of which, because of the state of agitation in Austria, could not be foreseen.

The fact that the Austrian Government were hesitating over according the *agrément* for Herr von Papen, or were trying to link it with certain stipulations, showed how much the Austrian Government were

⁸ See document No. 5.

⁹ See document No. 123.

under foreign influence. Should the *agrément* be refused, which he could not believe would happen, he would immediately close the German Legation in Vienna and only leave a Consulate General there.

In conclusion, the Reich Chancellor asked Foreign Minister de Kánya to convey his sincere regards to the Hungarian Minister President, who would give him pleasure by paying him another visit¹⁰; he further asked His Excellency de Kánya to thank His Highness the Regent for having sent the Hungarian Minister to Berlin as his special envoy in this sad hour for the German people and to pay him his respects.

For the minutes:
DR. THOMSEN
Ministerialrat

¹⁰ Gömbös had visited Hitler in Berlin on June 17, 1933. See vol. I of this Series, documents Nos. 324, 328, 329 and 330.

No. 151

6111/E452926

The Führer and Chancellor to Ministers Hess and Goebbels, Herr von Papen and the Office of the Secret State Police

BERLIN, August 8, 1934.
Rk. 7161.

In order to ensure the uniform policy which I wish to see pursued in future, I hereby order that neither Party authorities nor anyone else may discuss, either on the wireless or in the press, questions concerning German-Austrian policy, unless agreement has previously been reached between the Reich Propaganda Minister and the present Minister in Vienna, Herr von Papen. In particular I forbid Party authorities to discuss such questions on the wireless on their own initiative.

Exemptions from visas for Austria may no longer be granted by the Secret State Police or by local police authorities but only by the Reich Minister of the Interior in agreement with the Foreign Ministry.¹

ADOLF HITLER

¹ This order was circulated on Aug. 8 for their information to all Ministers and Reichsstatthalter and to the Governments of the *Länder*. The copy of this document received by the Foreign Ministry on Aug. 9, together with its covering note (6111/E452925), were registered as II Oe. 2138, and the latter bears the following marginal note: "The order is based on a suggestion made by me. v. N[eurath], Aug. 11."

No. 152

5737/H028942-52

The Ambassador in Italy to the Foreign Ministry

I. 934

ROME, August 8, 1934.

Received August 10.

II It. 2081.

POLITICAL REPORT

With reference to my report No. I 911 of August 2.¹

Subject: The development of German-Italian relations and the Austrian problem: Further apparent relaxation of tension resulting from the impression made by the death of the Reich President. Nevertheless underlying disagreements persist and increase. Italian representation of the unfavourable development of German-Italian relations in consequence of German policy towards Austria. Mussolini's attitude. Impending Italian initiative to safeguard Austria's independence? Repercussions on Italian foreign policy. Italian fears in view of the domestic situation in Germany. Germany's chances of retaining Italy.

In my report No. I 772 of July 4,² I drew attention to the incessantly renewed Franco-Italian attempts at a *rapprochement* and also pointed out the significant part played by the Venice meeting³ in frustrating these French policies. I said that if the policy embarked upon at Venice were adhered to and expanded, that is to say were Germany and Italy henceforth to act together *despite* Austria, then no system of pacts would be able to alter the consequences of a strengthened Germany.

There then occurred the 25th of July, and whereas it had not previously been possible to tell for sure what impression the 30th of June⁴ had made in Italy, the events in Vienna caused those of June 30 to make their full impact felt, or, more correctly, to double their impact. As I have already explained in my most recent despatches, the pendulum of Italian foreign policy swung wildly in the opposite direction. The Venice line has not been followed, let alone developed but, as I put it, has become submerged.⁵ Although up to the present time its obnoxious effects have repeatedly been neutralized by the trends of major policy, Austria, like a fungus wedged between Germany and Italy, has caused a wide rift between their policies, as there has long been cause to fear might happen.

¹ Not printed (8040/E578251-55). In this report Hassell described the anti-German feeling which became evident in Italy after the events in Vienna on July 25.

² Not printed (7819/E567153-55).

³ See documents Nos. 5, 6, 7, 19, 26, 56, 62, 89 and 100.

⁴ i.e. the "Röhm purge"; see Editors' Note, p. 117.

⁵ Marginal note in Neurath's handwriting: "Because the meeting was premature."

Given this situation, it may appear desirable to attempt once again to review the whole problem in broad outlines, taking the most recent developments as the point of departure and supplementing the account of them already provided, particularly in my report No. I. 911 of August 2.

Further apparent relaxation of tension resulting from the impression made by the death of the Reich President.

The apparent *détente* (described in my report referred to above) that has occurred in Italian public opinion in respect of Germany has persisted and was particularly marked during Germany's period of national mourning for the deceased Reich President. The Italian public, even when, during the last few weeks, it was being whipped up by an unscrupulous press, continued to hold the great man, now dead, in the highest respect, and the barren anti-German campaign has given way to universal recognition and appreciation of all that is best in Germany as incarnate in Hindenburg.

Nevertheless underlying disagreements persist and increase.

But this phenomenon, which is not confined to Italy, must not blind us to the fact that the reverse which our relations with Italy have suffered has by no means been retrieved. However strong objectively speaking those negative elements (to which attention was drawn in my despatch under reference) may be which make it appear unlikely that Italy, in her own interest, will depart from her present course, yet nevertheless one is increasingly forced to recognize, on the basis of many impressions acquired recently, that we must seriously reckon with the possibility of Italy changing course even on questions of general policy. As reported elsewhere, Signor Suvich today denied to me that there was any break in the line of Italian policy so far pursued. Nevertheless the risk is one that we must face.

Italian representation of the unfavourable development of German-Italian relations in consequence of German policy towards Austria.

One meets with profound pessimism about the future of German-Italian relations in the [Italian] Foreign Ministry even amongst those who have hitherto been outspoken in their friendship for Germany. Supporters of a comprehensive agreement with France, who have always held a strong position, are daily gaining ground. I venture to repeat some Italian arguments as put forward in a conversation with Counsellor Smend by a leading personality in the Palazzo Chigi, giving these arguments in their context and without embellishment:

Italy, it was said, had systematically pursued a policy of understanding with Germany since the end of the war, because she had recognized that only through the recovery of Germany could the European balance of power be defended against French attempts at

achieving hegemony. Therefore Italy had done everything to free Germany from the most oppressive obligations of the Treaty of Versailles and to help her to obtain equality of rights and armaments [*Wehrhaftigkeit*]. But Germany had always treated these attempts at *rapprochement* coldly; she had been glad enough to reap the benefits of Mussolini's revisionist policy, but had deliberately avoided committing herself [to Italy] in any way. As was becoming increasingly apparent, the reason for this [German] reserve lay in the problem of Austria,⁶ which Germany wanted to solve, regardless of Italian interests, in the Greater-German sense. In this respect no postwar German Government—we had but to recall Stresemann⁷ and the conflict over the South Tirol or Curtius⁸ and the attempts to establish an Austro-German Customs Union⁹—had ever departed from the course they had marked out for themselves, and the National Socialists on their accession to power in Germany had taken up the fight for Austria with a passion and recklessness which had from the start led everyone else to fear the worst. Nevertheless, Italy had observed restraint and had exercised a moderating influence in respect of the various international interventions in recent years over the defence of Austrian independence. Only very recently indeed, when the German pressure on Austria had threatened to prevail, had Italy too, on the occasion of the signature of the Rome Protocols,¹⁰ sounded a note of warning and allowed no doubt to remain that she would defend Austrian independence whatever happened. Finally there had come about the meeting between the Reich Chancellor and Mussolini in Venice, when the two statesmen had unreservedly exchanged views on the Austrian problem. Admittedly no agreement had been made but they had parted with the knowledge that each would carefully study the views of the other. But instead of the cooperation of Germany which had been hoped for in Italy, after the Venice encounter propaganda activity in Austria had entered upon a new phase, that of intensified terrorism, finally leading to the murder of Dollfuss for which the German National Socialists must be held morally to share responsibility. Italy had always looked upon the Austrian question as a sort of barometer of the state of German-Italian relations, and to Italy the latest development afforded proof that Germany was hereby declining an understanding with Italy, who must henceforth direct her policy accordingly. Italy would never bow to German pressure but would oppose to the uttermost all German attempts to lay hands on Austria. Moreover this applied equally to the attitude Italy was adopting to Vice Chan-

⁶ Marginal note in Neurath's handwriting: "No."

⁷ Gustav Stresemann, Reich Foreign Minister 1923-1929.

⁸ Julius Curtius, Reich Foreign Minister 1929-1931.

⁹ See document No. 453, footnote 3.

¹⁰ The three Protocols signed by Italy, Austria and Hungary on Mar. 17, 1934; see document No. 10, footnote 8.

cellor Papen's being sent to Vienna.¹¹ If by appointing Papen to the Legation in Vienna Germany intended to pursue by other means the designs which violent intervention in Austrian internal affairs had failed to accomplish, that was to say, if Germany was embarking on an attack by means of political action on Austria's "inner front", then Italy would be found at her post. The [German] Vice Chancellor's diplomatic activities in Vienna would therefore be watched with the closest attention here. Germany was making the same psychological mistake over Italy as she made a few years back over Russia. Conscious of what she conceived to be her own strength and indispensability, she was treating the other side brusquely, without pausing to consider that such conduct might well lead them to turn round and join the opposition camp. Italy too was now seen to be in a position where, fully conscious of the difficult situation in which she would be placing herself in respect of France and the Little Entente should it come to a complete break with Germany, she must seriously consider accepting the final consequences. In favour of such a course was that many Italians in all walks of life felt that French hegemony in Europe would yet be preferable to German dominance which involved special dangers for Italy.

Mussolini's attitude.

This description of the prevailing atmosphere, coming from someone in an official position and otherwise well disposed to us, has been confirmed to me as accurate from an invariably well informed private source. Above all Mussolini, who until the last few weeks has always been against giving up Germany, appears to have been greatly affected by the murder of Dollfuss and to be weakening under the pressure of the pro-French clique in the Palazzo Chigi.

Impending Italian initiative to safeguard Austria's independence?

Though no definite decisions as to the course to be pursued over the Austrian question have been taken here as yet, nevertheless it is entirely possible that Italy will proceed to take the initiative. It is already possible to discern various alternatives. Serious consideration is being given to the conclusion of an alliance with Austria which would afford Italy a legitimate pretext for military intervention should there be a further threat to Austrian independence. On the other hand there is mention of an international declaration guaranteeing Austria's independence, to be sanctioned through the League of Nations. Finally a combination of both these possibilities seems to be under consideration, perhaps in the form of an arrangement whereby Italy, in agreement with other Powers interested in the protection of Austria's independence, would conclude an alliance with Austria and thus acquire

¹¹ See document No. 123.

the right to intervene without exposing the Government to the risk of complications with other Powers interested in the fate of Austria. At any rate the Italians appear to wish to obtain the prior approval of the other interested countries in the event of an Italian intervention in future against the further National Socialist disturbances in Austria which are expected to occur, since the repercussions on opinion in Prague and Belgrade of Italy's recent military deployment in the frontier area¹² have not failed to make their impression here. The whole complex of questions is at present forming, according to the Foreign Ministry, the subject of an exchange of views between the various Cabinets interested.

Repercussions on Italian foreign policy.

Thus things are still fluid and there is still no knowing whether they will be settled in the way the Italians wish. Whether France, and especially more so the Little Entente, will accept, without more ado, a special position for Italy in respect of Austria such as would be entailed by the plans described above, remains to be seen. In any case, were Italy to follow the course indicated, this would naturally involve a total reversal of Italian foreign policy, a renunciation of fundamental principles of Mussolini's statecraft and a return to a position of dependence upon France which would adversely affect Italy's expansionist endeavours, not least in the Mediterranean sphere. It would therefore certainly not be easy for the ruler of Italy's destiny to fall into line with the "French front", which has recently become very strong again, nor for him to turn away from Germany. If, under pressure of the circumstances described above, he should really make up his mind to do so, no small part will have been played in this decision by the fears that were brought to a head by the 30th of June, as we are repeatedly informed by persons close to him. Again I will repeat the Italian arguments without adornment, since one hears them daily and hourly expressed: It is thought that Germany's internal situation and her position abroad will become increasingly unfavourable, and that one must expect the ensuing period to produce serious conflicts both at home and abroad, which might cause Italy to, so to speak, "write Germany off", as a power factor in the sphere of major policy. Thus, still labouring under the profound impression made by the events of June 30 but also under the influence of financial and economic assessments of the situation, Italians think it possible that there will be serious developments in Germany in the late autumn or winter which, it is believed, will subject the internal reconstruction of Germany to a severe test. This belief is a factor which must not be ignored in assessing the Italian attitude.

¹² See document No. 128.

Germany's chances of retaining Italy.

Given this situation it is difficult to provide an answer to the question of whether and to what extent there still exist prospects of a fresh German-Italian *rapprochement*. I myself have nowhere left room for doubt that the attitude of the Italian press and, underlying it, the mischievous official line, have also left a deep impression on us and will incline us to reconsider our attitude to Italy. Envisaging themselves, as they increasingly do here, in the rôle of Austria's protecting Power they think that it is still not too late to obtain from Germany a non-interference declaration, if only a short term one, about Austria, that is to say something approximating to a truce [*Burgfrieden*] for five or ten years, with Germany renouncing any intervention in Austrian internal affairs and with the restoration of normal economic relations between the two countries. It is thought that by some such adjustment of the conflict it should be possible not only to forestall any international action to safeguard Austrian independence but also to prevent Italy from lapsing into the French camp. On this basis Papen's being sent to Vienna may prove to be fruitful.

Three questions will in future be decisive for Germany's policy towards Italy:

1) The success of Papen's mission in bringing about a relaxation of tension between Vienna and Berlin.

2) The influence which the negative factors described in my despatch No. I 911 of August 2 may have on an Italian policy of turning away from Berlin.

3) The impression that may be created by the German régime consolidating its position at home (plebiscite!),¹³ abroad, and in respect of economic matters.

Should further developments answer these three questions in a sense favourable to us, and should it prove possible to restore, *pari passu* a basis of confidence between the political leaders of both countries, there are prospects of the serious crisis in German-Italian relations being overcome.¹⁴

HASSELL

¹³ On Aug. 2 it had been announced that the law of that day uniting the offices of Reich President and Reich Chancellor was to be the subject of a plebiscite to be held on Aug. 19. See Editors' Note, p. 281.

¹⁴ Marginal note: "Copy to the Reich Chancellor and Papen. N[eurath], Aug. 14."

No. 153

6691/H098289

The Embassy in Japan to the Foreign Ministry

Telegram

No. 104 of August 8

TOKYO, August 9, 1934—2:55 a.m.

Received August 9—10:10 a.m.

[IV Ja. 955.]¹

For the Reichswehr Ministry.

Copy to IV Ja.

1. The Japanese General Staff has recently been trying to get in touch with the German Mission at Nanking. The political aim of this is to persuade the Mission to influence Chiang Kai-shek in favour of a Chinese-Japanese *rapprochement*.²

Mediation by me has been repeatedly suggested by the General Staff, on the latest occasion by the Assistant Japanese Military Attaché at Shanghai, who requested a personal introduction to me.

Personal contact with the Mission at Nanking might dispel Japanese mistrust. The political background is not, in my opinion, an argument against the requested mediation. If the attempt is successful, our active cooperation will bear fruit. If it fails we shall at least have been of service to Japan. There is no fear of compromising the Mission at Nanking, as it can decide itself whether to get in touch.

2. I request instructions by telegram. Personal mediation would be possible for me at the beginning of October in connexion with my journey to Manchukuo, after previously informing the Minister at Peking orally.

OTT³DIRKSEN⁴

¹ Taken from the Journal.

² Marginal note against this paragraph: "I should welcome this. v. N[eurath], Aug. 10."

³ Col. Eugen Ott, the Military Attaché; he succeeded Dirksen as Ambassador in 1938.

⁴ Marginal notes: (i) "Herr Siegfried: Herewith the telegrams despatched. M[eyer], Aug. 15." (ii) "The Foreign Minister has already received yesterday copies of the telegrams despatched. Respectfully resubmitted herewith to Ministerialdirektor Meyer with thanks. Siegfried Aug. 15, 34." See documents No. 157 and No. 168, footnote 1.

No. 154

7477/H186772-76

Memorandum by an Official of Department II

BERLIN, August 10, 1934.

e.o. II Abr. 2070.

In accordance with instructions, I had a discussion with Ministerialdirektor Fisch of the Reich Air Ministry yesterday on the question of

our air rearmament, in which Fliegerkommodore Wenninger, the Director of the Central Department of the Reich Air Ministry,¹ also took part. These gentlemen had just returned from some time on leave and had not yet therefore knowledge of the reports by telegram etc. which had been received during the past few weeks regarding the effect our air rearmament is having in Britain. I drew their attention to these various reports, parts of which I read out to them; I also mentioned at this point the communications we have received from the Hungarians regarding a conversation between Colonel Brussaax, the French Military expert, and General von Siegler on the possibilities of a German-French understanding concerning armament questions.² I felt that Colonel Brussaax's statements, according to which the French General Staff indeed wish to reach an agreement with Germany, if only on the basis of a very long-term convention, made a certain amount of impression on the gentlemen from the Air Ministry.

The gentlemen fully recognized the seriousness of the situation which has arisen for us through Britain turning more towards France; they also admitted that the information which had reached Britain regarding our air rearmament had played a decisive part in bringing this about. I explained to them, pursuant to my Memorandum II Abr. 1984 of July 25 last,³ what developments we would have to be prepared for, if it came to the worst, as a result of the British-French collaboration, which Italy would hardly oppose. The gentlemen appreciated that we had a major political interest in again reaching a somewhat better understanding with Britain in the sphere of rearmament.

From the factual aspect, the conversation produced nothing very new in respect of our air rearmament. The two gentlemen did not contradict me when I said definitely that, according to information we had received, we were at present making aircraft bombs. They did not state whether we were actually constructing bomber aircraft or had them already. They explained that the Ju. 52 and Do. 11 types of aircraft, which expert circles abroad regard as disguised bomber aircraft, were not very suitable for air warfare; admittedly bombs could be dropped from these aircraft just as from any other, but it was hardly possible to fire from them; on the other hand, the types mentioned were very suitable as civil aircraft.

The gentlemen were of the opinion that the measures taken so far

¹ This dealt with Attachés, legal and press matters.

² In a memorandum of July 23 (7687/E548004-09), Frohwein recorded an interview that day with the Hungarian Chargé d'Affaires, de Bobrik, who informed him of two conversations which had taken place in Geneva on June 8 between the Hungarian military expert for disarmament questions, Gen. de Siegler, and Col. Brussaax, the chief military expert of the French delegation. Brussaax was reported as suggesting that agreement might well be reached on the basis of a disarmament convention lasting for 20 years and equality of rights being granted if Germany did not maintain any para-military organizations.

³ Not printed (8208/E583145-48).

were consistent with our Statement of April 16,⁴ for this only mentioned that we were not to have any bomber *aircraft* for the first two years; the manufacture of aircraft bombs could be absolutely reconciled with this since, indeed, bombs could also be dropped from combat and reconnaissance aircraft. The gentlemen even went as far as to say that even training in bomb-dropping was compatible with the Statement of April 16, provided this was only done from aircraft which were not to be regarded as typical bomber aircraft. In reply to this I remarked that the British would certainly not acknowledge this interpretation of the Statement of April 16 as the correct one.

Furthermore, the gentlemen raised the question as to whether at this stage we could, in any case, still be expected to conform to the Statement of April 16, for though this had been accepted by the British it had been rejected by the French. British acceptance would only be of value to us if the French accepted it as well. Moreover, France and Britain had meanwhile decided to increase their air armaments. To this I replied that we could in no circumstances take the increase in British air armaments as an excuse for now declaring our Statement of April 16 null and void; for on the occasion of Eden's visit to Berlin the Reich Chancellor as well as the Reich Foreign Minister had informed the British visitors that we had no objection to Britain increasing her air armaments to the same level as that of France, on the contrary, we even desired this.⁵ Furthermore, I considered it wrong to regard the agreement with Britain as important only if agreement were also reached with France. It was quite possible that France would continue for some considerable time to shroud herself in mystery or become incapable of negotiating due to a change of Government and so forth, but then agreement with Britain and Italy would, politically, be of the utmost importance to us even without France.

I could not obtain any clear information as to the number of military aircraft we have already produced and intend to produce. I pointed out that, according to Simon's statements in the House of Commons,⁶ the British intended to increase their air force to approximately 1,300 aircraft within five years which, they believe, will bring it up to the same level as that of France, and that we had only claimed fifty per cent of this figure for ourselves in the Statement of April 16. Ministerialdirektor Fisch evaded this argument by remarking that, after all, this figure comprised only first-line aircraft while, at the same time, it was of course quite uncertain how many military aircraft were being held in reserve by France and Britain.

⁴ See document No. 4, footnote 8. The word "Statement" is in English in the original.

⁵ For memoranda of Feb. 20, 21 and 22, 1934, on these conversations see vol. II of this Series.

⁶ On June 19, Baldwin announced in the House of Commons that the Air Force would be increased by 41 new squadrons; see *Parl. Deb., H. of C.*, vol. 292, cols. 1273-1275.

The conversation ended with Ministerialdirektor Fisch putting forward two alternatives. The one was to the effect that we should initiate talks with the British as soon as the political season started again, so as to reassure them somewhat as to our intentions regarding our air rearmament. Proceeding from the parliamentary debate on air rearmament we should state in the course of these that, as before, we still intended to keep within the limits laid down in the Statement of April 16 (that is, fifty per cent below the British-French level). In reply to any apprehensive questions concerning measures which were already being taken now in respect of air rearmament we could, as Herr von Hoesch has suggested,⁷ state confidentially that our preparations would not stand in the way of the carrying out of the air rearmament programme as set forth in the document of April 16. (I interjected here that we would then have to come to an understanding with the British on the interpretation of the Statement of April 16 with reference to the air rearmament question, which the gentlemen quite saw.) We could then modify our construction programme according to the progress of these talks with the British.

The second alternative put forward by Ministerialdirektor Fisch is to carry out the programme as at present planned without hesitation and regardless of the political objections and, consequently, also to refrain from attempting to reach a better understanding with the British. In this case the risk of the French and British deciding on a policy of forcible prevention of German rearmament would have to be taken.

I observed on this that the first alternative seemed more right to me personally, but that I considered it necessary, before embarking upon a discussion with the British, first to carry out drastic changes in the speed and development of our air rearmament, so that we should not, in talks with the British, be exposed from the outset to a charge of being deceitful.

The gentlemen undertook to convey the gist of the conversation to State Secretary Milch.

FROHWEIN

⁷ See document No. 99.

No. 155

7265/E533068-70

The Foreign Ministry to the Embassies in Italy and Spain and the Legations in Belgium, Finland, Portugal, Norway and Sweden

MOST URGENT

BERLIN, August 11, 1934.

zu W 6667.¹

The negotiations with representatives of the Dutch Government for

¹ This was the Anglo-German Exchange Agreement for Commercial Payments of Aug. 10, 1934, and the exchanges of letters of the same date between Bülow and

a modification of the German-Dutch payments agreement,² with a view to laying down an upper limit for the special account, have not been successful. Consequently, an understanding has been reached with Holland to the effect that the payments agreement shall terminate at the end of this month.³ It is not yet known what new arrangement will be made for the future.

In the meantime an understanding has been reached with Britain about a payments agreement on the pattern obtaining hitherto and with a limit to the special account of a maximum of five million Reichsmark. The text of the new German-British exchange agreement,¹ which is a combination of the original German-Dutch agreement and the additional German-Dutch Protocol of June 5, is enclosed herewith. As may be seen from the exchange of letters which is also enclosed, the restriction of the Bank of England's special account can only be maintained if we lay down a similar limit in all payments agreements that are still in force.⁴ If no understanding on this principle has been reached with the Government to which you are accredited by the next date on which notice can be given—in most cases this is probably August 15—you should give notice to terminate the agreement. Where it has meanwhile been arranged with the Government to which you are accredited that a fortnight's notice may be given on any day, notice must be given at the latest on August 17 if no understanding has been reached.

With regard to the question of colonies the Missions in Spain and Portugal are referred to telegrams No. 59 and No. . . . of August 10.⁵

For Rome only: You should give notice regardless of the negotiations which are at present in train here and you should state at the same time that this is only a precautionary measure arising from the conclusion of the Anglo-German exchange agreement. Signor Anzilotti will be duly notified here.⁶

the British Counsellor of Embassy, Newton (9643/E679923-47). For the published text see League of Nations: *Treaty Series*, vol. CLV, pp. 53-71. See also footnote 4 below.

² See document No. 108.

³ Notice of termination of the Protocols of Dec. 31, 1932 and June 5, 1934 (see document No. 108, footnote 5) was given by the German Chargé d'Affaires at The Hague on Aug. 17, 1934 (9825/E691788) after it had been agreed on Aug. 1 (9825/E691787) that these protocols could be terminated at a fortnight's notice.

⁴ In one of the exchanges of letters referred to in footnote 1 above, Bülow notified Newton of the German Government's decision to amend existing payments agreements by laying down a maximum amount for the proposed special account and to terminate their payments agreement with any country which refused to make such alterations. Should any payments agreement continue to remain in force without a stipulation regarding the maximum amount of the special account, the German Government were prepared to delete the stipulations about the maximum amount of the special account in the Anglo-German Agreement of Aug. 10 (9643/E689939-40). In his reply (9643/E679941) Newton took note of this.

⁵ Thus in the original. The telegrams here referred to are No. 59 of Aug. 10 to Lisbon (K903/K224023-24) and No. 87 of Aug. 11 to San Sebastián (K904/K224480-81).

⁶ An Italian delegation led by Signor Anzilotti of the Ministry of Corporations had begun negotiations on economic questions in Berlin on Aug. 6. On Sept. 26 there were

For Brussels only: The necessity of giving notice has been raised with M. de Graeffe in the course of conversation. When giving notice you should draw attention to the precautionary nature of this measure.⁷

Final passage for all Missions:

The following are provisional figures for the maximum amounts to be held in the special account:

for Rome:	three million RM
for Madrid:	one million RM
for Helsinki:	one million RM
for Oslo:	one million RM
for Lisbon:	one million RM
for Stockholm:	two million RM
for Brussels:	two million RM

By order:
ULRICH⁸

signed in Berlin: (i) A Clearing Agreement (see *Reichsgesetzblatt*, 1934, Pt. II, pp. 818-822) with confidential protocol (9630/E679106-23); (ii) an agreement, with confidential protocol, on the purchase by the German Government of Italian-held coupons of the Dawes and Young Loans maturing between July 1 and Dec. 31, 1934 (9630/E679124-34); and (iii) an agreement on German tourist traffic to Italy (M119/M004598-614). Further documents on negotiations with Italy have been filmed on Serial 9511.

⁷ Negotiations with a Belgian delegation led by M. de Graeffe, Counsellor of the Belgian Legation in Berlin, had been in progress intermittently for some months. Agreements and confidential protocols on methods of payment for commercial transactions and on the purchase by the German Government of Belgian-held coupons of the Dawes and Young Loans maturing between July 1 and Dec. 31, 1934, were signed in Berlin on Sept. 5 (8739/E610213-85). Further documents on negotiations with Belgium have been filmed on Serial 8448.

⁸ Copies of these instructions were sent to the German Legation in the Netherlands and to the Reich Ministry of Economics, the Reich Office for the Control of Foreign Exchange and the Reichsbank on Aug. 11 (7265/E533071).

No. 156

6695/H101133-42

The Chargé d'Affaires in the Soviet Union to the Foreign Ministry

No. A/2144

Moscow, August 11, 1934.

Received August 15.

IV Ru. 4498.

POLITICAL REPORT

Subject: Eastern Pact.

People's Commissar Litvinov's going on leave means a pause in the activities of the Soviet Government as far as the Eastern Pact is concerned. A careful comparison of statements by leading Soviet politicians about the Eastern Pact, which have been repeated to me by a great variety of diplomats accredited here, with the views of the informants concerned, shows that surprising unanimity prevails

amongst the diplomatic corps here in their assessment of the situation. As authoritative Soviet quarters maintain the greatest reserve towards this Embassy in the matter of the Eastern Pact, it is not possible for me to supply any authentic opinion as to the Soviet Government's intentions. I shall therefore confine myself to giving you the considered opinions, as reported to their Governments, of the majority of the Missions here:

(1) The declaration about the Eastern Pact, made by the Baltic States on the occasion of the visits of their [Foreign] Ministers to Moscow,¹ have doubtless given moral support to the idea of the Eastern Pact and are consequently considered to be of real value to the Soviet Government for propaganda. Nor should their importance be underestimated in view of the fact that Litvinov expressly intended to obtain agreement in principle to the idea of the Eastern Pact as the first stage of his endeavours. But it also emerged during these visits that, in spite of strong Soviet pressure, Lithuania and Estonia at least are not prepared to take part unconditionally in the Eastern Pact, and that in particular their assent would only apply to the group of States expressly mentioned in the declaration as taking part. Beyond this both States have felt compelled, even at this stage, to make public certain reservations as to the final shape of the Pact.

(2) As far as the inclusion of Poland and Germany in the Eastern Pact is concerned, the Soviet Government intend, by bringing great pressure to bear on Poland, to induce her to adopt a positive attitude in order then to be able to isolate Germany and force her to make a choice. There is clearly apparent in the Soviet press a tendency to focus attention on Germany already at this stage as the disturber of the peace.

(3) The Soviet Government appear to have firmly decided to join the League of Nations in September, this being the French condition for entering into close relations with the Soviet Union by means of a treaty. The Soviet Government may be expected to make certain reservations. This would be particularly the case over the question of arbitration. As far as mandates and perhaps also minorities questions are concerned, they are not prepared to lend their authority to measures, not approved by them, so far taken by the League of Nations. But they do not insist upon reforms, so that any reservations in this connexion would be propagandistic in character. On the other hand, the conclusion of the Eastern Pact no longer appears to be a condition for their entry into the League of Nations. The Soviet Government consider that to be accorded a permanent seat on the

¹ See documents Nos. 133 and 140. The Lithuanian Foreign Minister, Lozoraitis, visited Moscow Aug. 1-5. A Tass communiqué of Aug. 3 stated that the Soviet Union and Lithuania were in complete agreement on the Eastern Pact question. Twardowski reported on the visit in despatch A 2054 of Aug. 6 (6695/H101059-63).

Council is just as self-evident as it is for them to be represented in the Secretariat in accordance with the position of a Great Power. As far as it has been possible to ascertain up to now, the Soviet Government will not themselves submit a request to join the League of Nations, but will accept an invitation which they expect to receive by September, providing their reservations are recognized.

(4) If the Eastern Pact should not come about, the Soviet Government appear to be determined to attempt to enter into close treaty relations with France. They are thought not yet to have conducted concrete negotiations about this Franco-Soviet alliance, or at any rate the Soviet Government are definitely denying this. At the moment the position simply seems to be that either side is in principle prepared to have such an alliance and that the French are making it a condition that such an alliance should be under the aegis of the League of Nations, with whom would therefore lie the final decision over the *casus foederis*. It is definitely asserted that such an alliance would not include a guarantee of possessions [*Besitzgarantie*].

The general conviction prevails here that the Soviet Government only desire an alliance with France in the event of their being unable to obtain any other real security for their Western frontier. Little credence is, therefore, attached here to the news put about from French sources that the Soviet Union are pressing for an alliance and have already made several such proposals to France. The Soviet Union are thought, judging by their policies as a whole, to have no more interest in binding themselves to *one* Power only in Europe than they attach importance to being drawn into European affairs in so far as their own interests are not affected. Consequently the opinion is widely expressed here that one must not overestimate the importance of a Franco-Soviet alliance at present, but that it may well contain exceptional dangers for the future, once the Soviet Union have come through their present troubles. What is more, once such an alliance has been concluded, it would make it extremely difficult to reestablish good relations between Germany and the Soviet Union. Therefore, if Germany really intends to restore good relations with the Soviet Union without paying too heavy a price, this can only be done before the alliance has become a fact. Litvinov's desire to inflict a diplomatic defeat upon the present German Government does, it is true, accord with certain Comintern elements who wish to destroy the "Nazi régime"; but the extremely realistic attitude of the Politburo, who certainly do not wish to entrust themselves at all unconditionally to France's political leadership, or, as did the last Czarist Government, to champion French interests, exercises a very restraining influence.

In this connexion I may also point out that Litvinov appears to have told others as well as the Italian Ambassador that, should an Eastern Pact fail to come about, Germany should be included as third

party in a Franco-Soviet alliance (telegram No. 194 of August 5²). It would appear from the way he conducts conversations that he wishes to create the impression that he would much like to bring German-Soviet relations back to normal, but that Germany does not respond to any overtures.

(5) Litvinov's entirely unexpected "going abroad on leave" is generally thought to have political implications. What dark designs Litvinov may be pursuing cannot yet be foreseen. Since he is going to Italy, it is not without interest that during the last few weeks the Italian Embassy here has been exceptionally active in political as well as in military affairs and matters of armaments. Nor should it be overlooked that the exceptional friendship and trust formerly shown to Herr von Dirksen³ have not been transferred to the French Ambassador,⁴ but to Signor Attolico.⁵

TWARDOWSKI

² Document No. 148.

³ Herbert von Dirksen had been German Ambassador in the Soviet Union 1928-1933.

⁴ Charles Alphand.

⁵ This document is marked: "The Chancellor is informed. L[ammers], Aug. 21."

No. 157

6691/H098292

The State Secretary to the Embassy in Japan

Telegram

No. 87

BERLIN, August 13, 1934—7:55 p.m.
[zu] IV Ja. 955¹ II.

With reference to your telegram No. 104 of August 9.¹

In agreement with the Reichswehr Ministry.

It is in itself entirely desirable to dispel the Japanese General Staff's mistrust of the German Military Advisers. Mediation by your Military Attaché in this matter is, however, not feasible. Peking has been instructed² to discuss the matter with Herr von Seeckt³ in order to find possible ways and means of establishing contact with local Japanese agencies in Shanghai or Nanking in an inconspicuous manner. You should therefore request Military Attaché Ott not to do anything further in the matter in question pending further instructions.

BÜLOW

¹ Document No. 153.

² See document No. 168 and footnote 1 thereto.

³ Col. General von Seeckt, head of the German military mission in China; he had been Chief of the German Army Command 1920-1926.

No. 158

6111/E452930-32

Memorandum by an Official of Department II

CONFIDENTIAL

BERLIN, August 13, 1934.

II Oe. 2182.

Brigadeführer Rodenbücher, who has been charged by the Führer's Deputy with settling matters arising from the disbanding of the Landesleitung Austria,¹ said today during a discussion in the Foreign Ministry that he had had all files, letters etc., found on the premises of the Landesleitung Austria in Munich, packed in cases which were then nailed down. These cases were then taken away in two furniture vans and placed in safe custody with the Munich Political Police (SS). Because of other pressing work, he was at present unable to go through them or sort them out in any way; he had therefore for the moment sent a negative reply to Herr Habicht, who had already enquired whether the records could not be placed at his disposal for the purpose of drawing up a memorandum.

The Foreign Ministry is interested in these records in so far as Herr Habicht, as is known, frequently received, in accordance with instructions, official reports from our representatives in Austria etc. Although the greatest care was taken here to see that these reports were always returned to the Foreign Ministry at once, it is not impossible that, despite assurances to the contrary, copies were in some cases made for the files of the Landesleitung. Above all, however, the files of the Landesleitung may contain extensive correspondence with eminent Austrian politicians still in power today who would be most seriously compromised by any indiscretion.

Precautions will therefore have to be taken to prevent the Landesleitung files from falling into the wrong hands. It might be advisable to ensure this by discussing the matter with Reich Minister Hess and suggesting that no action should be taken concerning the files without informing the Foreign Ministry.

Respectfully submitted herewith to the State Secretary via the Deputy Director with the request for a decision.²

HÜFFER

¹ See document No. 149.

² Marginal notes: (i) "I took the opportunity which offered today of speaking to Reich Minister Hess and of pointing out to him the danger which might arise if anything from the highly compromising files of the Landesleitung were to fall into the wrong hands. He promised to give the matter his attention. It might be advisable to ask the Führer's Deputy in due course what measures have been taken. R[enthe]-F[ink], Aug. 15." (ii) "Herr Renthe-Fink. I fully agree with the safeguarding of the records and the reference to the dangers but not with the participation of the Foreign Ministry in the disposal of the files. At any rate, I request you not to raise this request.* If we are invited to participate, we can always consider whether and to what extent we should do so. B[ülow], Aug. 15." (iii) "* This has not been done. R[enthe]-F[ink]."

No. 159

7477/H186777-80

*Memorandum by an Official of Department II*BERLIN, August 14, 1934.
e.o. II Abr. 2087.

I had a long conversation today with General Schönheinz on the disarmament question during which I took the opportunity of informing him in broad outline of the Foreign Ministry's views with regard to the decisions which are to be taken shortly. General Schönheinz had previously spoken to Reichswehr Minister von Blomberg and was able to tell me something about the latter's attitude.

1) Reichswehr Minister von Blomberg will be absent from Berlin from today until Saturday.¹ He assumes that the discussion with the Reich Chancellor will not take place until the middle or end of next week, possibly not even until the beginning of the following week.

2) According to what General Schönheinz told me, Herr von Blomberg is inclined to believe that it would help us to carry out our armament programme if we definitely agreed to the idea of an Eastern Pact. In this he does not, however, seem to insist that we accept the *assistance mutuelle* pursuant to Franco-Russian proposals; on the contrary, he seems to be thinking more of a favourable attitude in general, the further shaping of which he would leave to the Foreign Ministry. It is Herr von Blomberg's especial concern that feeling towards us should be improved by our agreeing to the idea of an Eastern Pact.

3) Herr von Blomberg considers it impossible, in the present-day international situation, for us to come out into the open with an official statement in the autumn regarding the rearmament measures we intend to take. He is of the opinion that, as previously, these ought still to be concealed as much as possible.

4) With regard to the army, the increase by the autumn to 300,000 men takes first place. This measure, involving considerable movements and the establishment of about twenty new garrisons, should, in the opinion of Herr von Blomberg, be carried out at the beginning of November, as planned, whereas the cadres should be formed by October 1. It would be possible to conceal this to a certain extent, if the new regimental numbers (on shoulder straps, etc.) were not issued and the newly created formations were given designations from which the increase would not be outwardly manifest. This camouflage, which General Schönheinz considers feasible and desirable, does not, however, appear to have been contemplated so far because of certain practical difficulties.

¹ i.e., Aug. 18.

5) With regard to the army, General von Blomberg is, in any case, of the opinion that the limits laid down in the Statement of April 16² must be adhered to. General Schönheinz stated that, as far as any guns larger than 15.5 cm and tanks over six tons were concerned, these were merely for certain tests which were not to alter the principle of keeping to the limits of April 16.

6) General Schönheinz said the air question was extremely difficult because of the very extensive measures which the Reich Air Ministry was contemplating or had already taken in defiance of the policy of the Reichswehr Ministry. It was primarily a question of bomber aircraft, the manufacture of aircraft bombs and training in bomb-dropping, and not so much of quantity. General Schönheinz thought it impossible to make any changes in the measures already adopted and said that it was also very difficult at this stage to alter the programme which had been planned for the future. Nor did he, in the circumstances, consider it useful to have a fresh conversation on the air question with the British since, indeed, they would merely accuse us of deceit if we were to state that we intended to keep within the limits of the Statement of April 16 and had done so hitherto. This would only make matters even worse. Hereupon I remarked that it seemed absolutely essential to me to reach an understanding once again between Germany and Britain, especially on the air question which was the main point of interest to Britain; General Schönheinz agreed that this was politically sound. I said that if, for military reasons, it was now considered quite impossible to dispense with bomber aircraft, aircraft bombs and training in bomb-dropping for two years, it seemed to me personally that the only way out would be to raise once again with the British the question of bomber aircraft. It might possibly be argued in favour of this that the increase in air armaments recently decided upon by Britain was to include types of bomber aircraft, much as would the modernization of part of the French air force which France had decided on a short time ago.³ It could be said that this had created a new state of affairs, as the prospect of reaching a decision within two years on the absolute discontinuance of bomber aircraft had been as good as defeated by the decisions taken in Britain and France. General Schönheinz agreed that it might be possible to have a conversation of this kind with the British and that this, at any rate, would have the advantage of bringing us into touch with them again on a question which concerns them in particular, and of restoring a feeling of trust. What General von Blomberg thinks about the question of air rearmament General Schönheinz was unable to tell me.

Submitted herewith to the State Secretary for his information.

FROHWEIN

² See document No. 4, footnote 8. The word "Statement" is in English in the original.

³ See document No. 99.

No. 160

7265/E533120-21

Memorandum by the Director of Department III

BERLIN, August 15, 1934.

zu W 6825.¹

The British Chargé d'Affaires called on me today and communicated the attached Note¹ concerning the necessity for a speedy settlement of the outstanding German commercial debts. He added that the British Government would welcome the despatch to London as soon as possible of a representative to negotiate on this subject.

I read the Note carefully in the presence of Mr. Newton and then told him that in my opinion such a tone was unseemly and would not improve the already very difficult position. Moreover, the argument that British public opinion could become more unfavourable towards Germany would no longer make any great impression here, since everything that we had seen and heard of British public opinion during recent months had already been so unfriendly and malicious that it could hardly deteriorate further.

As far as the subject itself was concerned, I told Mr. Newton that I could hardly think that negotiations on this subject would now lead to any result; as far as I knew, the question of outstanding commercial debts had already been discussed during the negotiations on the Exchange Agreement,² and the attention of the British delegates had at that time been drawn to the fact that, although we would welcome a settlement of this question (which was after all in our own interests), we were quite unable to give binding contractual assurances in view of the present foreign exchange position. Although the British Government were now bringing the matter up again by means of this Note, this naturally in no way changed the *de facto* situation. Moreover, I thought that for technical reasons negotiations could hardly take place now because, owing to the pressure of work on the competent officials occasioned by the negotiations with Belgium, the Netherlands, Italy, Sweden, etc., and as a result of the summer holidays, we would probably not have sufficient personnel at our disposal.

The conversation ended with my telling Mr. Newton that I would bring his Note and his oral communications to the knowledge of the competent departments and that he would receive a definite reply as soon as possible.³

¹ See the enclosure to this document.

² See document No. 155, footnote 1.

³ Copies of the memorandum and of the Note were sent to the Embassy in London on Aug. 16 (7265/E533124), the Reich Ministry of Economics, the Reich Finance Ministry, the Reich Ministry of Food and Agriculture and the Reichsbank on Aug. 18 (7265/E533125).

Submitted herewith to the State Secretary.

One copy of the memorandum and of the Note to the Economic Department and to Department III E[ngland].

DIECKHOFF

7265/E533117-19

[Enclosure]⁴

No. 272

BRITISH EMBASSY,
BERLIN, August 15, 1934.
W 6825.

YOUR EXCELLENCY: I have the honour, under instructions from His Majesty's Principal Secretary of State for Foreign Affairs, to make a communication to the German Government as follows.

2. His Majesty's Government in the United Kingdom desire to remind the German Government of the terms of the letter addressed by Sir F. Leith-Ross to Dr. Berger on the occasion of the signing of the Anglo-German Transfer Agreement of July 4th,⁵ in which the following passage occurs:

"In this connexion, there is a further urgent question affecting the trade between the two countries. My Government is receiving an increasing volume of complaints that payments due from Germany for goods actually delivered have recently not been duly met. These complaints seem to have arisen more particularly out of the recent decision to reduce the allocation of foreign exchange to German importers to such amount as is daily received by the Reichsbank. I trust that the German Government will be able within a few days to remedy this unfortunate situation which must otherwise have serious effects on the trading relations and credit possibilities of Germany; and my Government suggest that the opportunity of the aforesaid negotiations should be taken to try and clear up the position as regards these outstanding claims of British exporters."

3. His Majesty's Government have learnt with great regret that the German Government have not hitherto made any concrete proposals for dealing with this situation. They cannot regard as in any degree satisfactory the suggestion that allocations of foreign exchange to German importers on the present restricted scale will suffice gradually to discharge these accumulated debts, the volume of which is such that the amounts becoming available from this source after current needs have been met would be derisory. Nor can His Majesty's Government accept as valid the argument that the resources of the Reichsbank are insufficient to permit of a firm undertaking being given

⁴ This Note is in English in the original.

⁵ See document No. 58, footnote 4.

to set aside sufficient foreign exchange to extinguish all such liabilities within a reasonably short space of time. The amount required is small in relation to the volume of sterling accruing to Germany from exports to the United Kingdom, which still continue to increase.

4. While, however, the volume of outstanding indebtedness cannot be represented as excessive in relation to the volume of Anglo-German trade, its existence imposes a severe and inequitable burden on British exporters on whom Germany has been accustomed to rely for the supply of essential materials for her industries. These debts in fact represent the actual value of merchandise delivered to Germany and His Majesty's Government cannot but consider the present attitude of the German Government to be wholly unjustifiable. His Majesty's Government must draw the attention of the German Government to the lasting damage to the standing of German credit in the United Kingdom which a continuance of this default must inevitably produce and to the regrettable effect upon Anglo-German relations, if important interests and sections of public opinion in Great Britain are antagonized by the absence of effort on the part of the German Government to meet unquestioned obligations.

5. His Majesty's Government for their part remain anxious to act in the spirit of the declaration to which their authorized representatives and those of the German Government set their hands as recently as July 4th last, to the effect that "it is the earnest desire of both Governments that trade and financial relations between the two countries should continue on a non-discriminatory and most friendly basis and that the volume of mutual trade should be maintained and as far as possible increased".

6. In the light of this declaration His Majesty's Government are reluctant to believe that it is the desire of the German Government to hazard permanent interests of the highest importance to the whole commercial community of Germany by a refusal to allow their nationals to pay for goods delivered.

7. His Majesty's Government therefore look to the German Government to formulate proposals without delay for a speedy and satisfactory liquidation of the liabilities which are the subject of this note.

I avail myself of this opportunity to renew to Your Excellency the assurance of my highest consideration.

B. C. NEWTON

No. 161

8649/E605658-63

The Embassy in Italy to the Foreign Ministry

SECRET

I 957

ROME, August 15, 1934.

Received August 16.

II Oe. 2198.

With reference to your telegram No. 190 of August 14, 1934.¹

Subject: Starhemberg's visit to Rome and the Austrian problem. Details of Starhemberg's visit; assessment of the visit and of the Vice Chancellor's personality. Italian proposals for securing the independence of Austria and their significance for Germany. Reasons for the Italian proposals. Italy and the plans for a restoration.

Details of Starhemberg's visit

The Austrian Vice Chancellor, Prince Starhemberg, arrived in Rome on August 11 by aeroplane accompanied by an adjutant and by Morreale, the head of the press section of the Italian Embassy in Vienna. He went at once to Ostia where he inspected the Austrian Boy Scouts (about 250 of them), who were lodged in the "Campo Austria" there. In the course of the afternoon of the same day, Mussolini and Under Secretary of State Suvich visited the camp. After the inspection Starhemberg made a speech in which he thanked the Duce, on behalf of the Austrian Government, for everything that he had so far done for Austria, and emphasized that every Austrian would defend the independence of his country to the last drop of his blood. There ensued an hour's interview between Mussolini and the Vice Chancellor, at which Suvich was also present. In the evening Mussolini gave a small dinner party for the Prince. Starhemberg spent the rest of his visit mostly in Ostia. Nothing is known here of a visit to the Pope at his summer residence at Castel Gandolfo, reported by the foreign press. Starhemberg is returning today. It appears that he will spend a few days in Venice on his way back to Vienna.

Assessment of the visit and of the Vice Chancellor's personality

According to information emanating from the Foreign Ministry it would not appear that Starhemberg's visit had any particular political significance. It is thought that this is simply a visit planned a considerable while ago, which, like the one last year,² primarily concerns the Austrian Boy Scouts. Of course Starhemberg took this opportunity of informing the Italian Government about the most recent happenings and the present situation in Austria, but without discussing

¹ This telegram (8649/E605657) reported that Schuschnigg was expected in Rome on Aug. 21.

² Starhemberg visited Rome during his stay in Italy Aug. 30-Sept. 7, 1933.

in detail the political questions at present in the air. Political exchanges of views will not take place until August 21 on the occasion of Chancellor Schuschnigg's intended visit.³ It would appear that as on previous similar occasions the question of expanding the Heimwehr (which probably means financing it) was also discussed.

This information from official sources would appear to be in the main accurate. Already in my earlier reports I have repeatedly indicated that Prince Starhemberg does not count for much here. He is regarded as the typical young Austrian nobleman, amiable and worldly, very fond of the pleasures of this world, particularly women, but otherwise without political insight and moreover not quite reliable. It would seem quite likely, therefore, that at this meeting Mussolini and Suvich confined themselves mainly to receiving the Vice Chancellor's report on the situation in Vienna, without embarking on a more detailed discussion of current political problems.

Italian proposals for securing the independence of Austria

Most important among these are the various proposals which are being considered for further ensuring the independence of Austria. I received confirmation once again in the Foreign Ministry that an Italian initiative to this end might be expected shortly. I gained the impression that the possibility of an agreement between Italy and Austria, which had been touched on in earlier conversations⁴ (presumably under the influence of French fears arising from the opposition on the part of the Little Entente), had receded into the background and that the question of an international guarantee of Austrian independence was the subject of the present exchanges of views between the Governments concerned. I have learned in this connexion, from a private source which is always extremely well-informed, that Mussolini having decided on international action (while Suvich was more in favour of direct intervention by Italy) the question of how the independence of Austria could most usefully be secured in international law is at present being examined here. To begin with the Treaties of 1831⁵ and 1839⁶ concerning the neutrality of Belgium were suggested as points of departure for the Italian proposals; now the Norwegian Treaty of Guarantee⁷ is being examined to find out in how far it could

³ See document No. 174 and footnote 4 thereto.

⁴ See document No. 152.

⁵ The Treaty between Great Britain, Austria, France, Prussia and Russia and Belgium relative to the separation of Belgium from Holland, concluded at London, Nov. 15, 1831, in which Art. VII guaranteed the neutrality of Belgium. For the text see *B.F.S.P.*, vol. 18, pp. 645-664.

⁶ The treaties between Great Britain, Austria, France, Prussia, Russia, the Netherlands and Belgium, relative to the Netherlands and Belgium, concluded at London, April 19, 1839. For the text see *B.F.S.P.*, vol. 27, pp. 990-1002.

⁷ The Treaty between Great Britain, France, Germany, Norway and Russia respecting the independence and territorial integrity of Norway, concluded at Christiania, Nov. 2, 1907. For text see *B.F.S.P.*, vol. 100, pp. 536-537.

serve as a possible basis. All the relevant material on the Norwegian Treaty of Guarantee has been placed before the experts for their current deliberations, which is not to say, of course, that the Italian proposal will in fact be based on this arrangement. In so far as it is possible to judge of these proposals at all yet, it would seem as though they are in many ways being made to resemble the Norwegian example (an obligation *vis-à-vis* the Guarantor States to defend one's own independence and territorial integrity against any attack from within or from without, aid to be given by the Guarantor States when called on in the case of independence and integrity being threatened etc.). A special article in the proposal provides for an undertaking on the part of the Guarantor States not to tolerate any action within their own territories against the independence and integrity of Austria. As soon as the Italian proposal is completed it will forthwith be submitted to the English, French and German Governments for consideration. It appears that discussion of the proposal is in the first place to be restricted to this compass and it is, in particular, not intended to apprise the League of Nations of it.

The significance of the proposal for Germany

It remains to be seen how far the information supplied by my informant proves to be correct. I have had no opportunity so far of checking details but since it has reached me from so reliable a source it appears to me to be sufficiently significant to bring to the attention of a higher authority, especially since it allows us to make deductions regarding the Italian proposals which affect our own interests. According to my informant, who is in close contact with authoritative personalities in the Government, the Foreign Ministry is of the opinion that Germany would do well not immediately to refuse her approval of an Italian proposal drawn up on the lines indicated above. At all events we should not reject the proposal out of hand when it is submitted to us, but should weigh the pros and cons quietly. An undoubted advantage⁸ of the proposal is the fact that, should it be adopted, it would clear the heavily clouded political horizon for some time to come and would remove the dangers of the different international complications which are threatening. German-Italian relations too would soon improve within the framework of such an agreement and both countries would come reasonably well out of the present delicate situation. It would not be necessary to take too seriously any objections which might be raised against committing German policy to the situation created by this guarantee too far ahead, since, according to Mussolini, the agreements are not "for ever" and perhaps

⁸ Marginal note in Bülow's handwriting: "Better at any rate than an unsound Eastern Pact. Of course, only if the *Anschluss* does not have to be specifically renounced."

in a few years' time a different political constellation would set the Austrian problem in a quite different light.

The reasons for the Italian proposals

It is, furthermore, not surprising that this proposal should be considered here to constitute a suitable settlement of the Austrian problem and one which takes Italy's interests sufficiently into account, although there is clearly no heartsearching as to how far Germany's interests are to be safeguarded. There would also appear to be a desire to complete this project or a similar one quickly. This is probably due partly to anxiety lest those at present in power in Austria should not prove capable of measuring up to a fresh crisis (Schuschnigg is considered to be an honourable man but not much is thought of his energy or of his political gifts and he is also thought to be secretly a Legitimist) and partly to the realization that National Socialism in Austria, despite all the measures that have been taken forcibly to suppress it, continues to flourish and will one day prevail. Till then, that is to say, until National Socialist politicians too sit in the Government in Vienna, the international guarantee should be preserved, in order to be able to repel all attacks on Austria's independence.

Italy and the plans for a restoration

I will end by touching on Italy's attitude to the Legitimist question, which has recently repeatedly been associated with the measures for safeguarding Austrian independence. According to information reaching me from a reliable official source, the Italian Government are consistently opposed to the idea of an Austrian restoration. I received emphatic confirmation of this only recently, when in connexion with rumours which have been circulating here but which are, incidentally, not correct, about a forthcoming visit by Archduke Otto to Italy, it was most emphatically stated that the Italian Government do not wish the return of the Habsburgs to the Austrian throne. Apart from the international complications which would ensue, nothing liable to bring about a change in the internal situation in Austria could be expected to result from a restoration. In Austria, quite other than in Germany or even in France, the Legitimist question is more a sentimental affair which can have no decisive influence on political developments inside Austria. The present deep rift in the Austrian nation could not be overcome by the restoration of the monarchy.⁹

By order:
SMEND

⁹ Marginal notes: (i) in Neurath's handwriting: "[For] R[eich] C[hancellor] (p[ages] 3-5 [i.e., sections 4-5])." (ii) "The Reich Chancellor is informed. L[ammers], Aug. 28."

No. 162

6695/H101266-77

*State Secretary Bülow to Foreign Minister Neurath*¹BERLIN, August [16], 1934.¹

DEAR HERR VON NEURATH: The time has now come for us to define our attitude on the Eastern Pact, even if, in effect, it will only be necessary and useful for us to furnish an interim reply. A merely evasive statement would, in my opinion, be dangerous, as, in view of the general mistrust in which we are held, it could not fail to be interpreted unfavourably. Therefore our reply should allow it to be seen how far we are prepared to go, at least on some of the principal points. A question, however, prior to our adopting any attitude towards the Eastern Pact, must be what is decided about the reorganization of the Wehrmacht and about the rate at which it is to be reconstructed, or, in other words, whether for the time being we are to abide by our programme of April 16.²

The reorganization of the Wehrmacht

In order to throw light upon this prior question, I enclose a summary³ which compares what the Versailles Treaty laid down with what we claimed at the Eden negotiations, and what is in fact happening now if reports from abroad and rumours at home may be credited. The data in the last column are incomplete and are given with all reserve. In explanation, I should like to point out that a great deal depends on what interpretation is put upon the statements made by the Reich Chancellor to Eden and others.⁴ The most important thing is our air rearmament, since it, or rather the information about it which has percolated to Britain, is the main reason why Britain has gone over to the side of France. I am not clear as to what has actually been done here so far in the sphere of our rearmament nor what is being planned for the near future, so I have no clue as to whether our programme for the construction of military aircraft is being kept, as regards numbers,

¹ The document here printed is unsigned and the day of the month is not given in the date. It is evidently by Bülow and probably of Aug. 16 (see also document No. 163). Discussions on the attitude to be adopted to the Eastern Pact had apparently been going on in the Foreign Ministry for several days previously. Following a conference on Aug. 10 of which no record has been found, Bülow circulated for comment to Gaus, Meyer and Frohwein, under cover of a note of Aug. 11 (8208/E583164), a draft note for the Foreign Minister entitled "Three Possible Attitudes to the Eastern Pact" (8208/E583165-66). A marginal comment on this covering note reads: "On the basis of further discussions with the State Secretary the enclosure is not being sent to the Foreign Minister, but only the draft of a memorandum, from which all the essentials will emerge. To be filed (in folder). F[rohwein], Aug. 16." The draft memorandum has not been found.

² See document No. 4, footnote 8.

³ The enclosures have not been found.

⁴ For memoranda on the conversations between Hitler and Eden on Feb. 20 and 21, 1934, see vol. II of this Series.

within the limits of the statement of April 16 (not more than 50 per cent of the French and of the British figures, which are going to be on the same level for the next five years). Nor can I tell whether the Reich Air Ministry in its present measures proposes simply to disregard the statement of April 16 or whether it still wishes to cover these measures by a generous interpretation of the April 16 document. Thus the Reich Air Ministry maintains that the Ju 52 and Do 11 types are not really bombers, because amongst other things, they are not, or only with difficulty, able to carry machine guns and are therefore of little military value. I do not know definitely whether there are any actual bombers as well, and, if so, how many. Nor do I know how far the number of auxiliary bombers exceeds the legitimate requirements of civil aviation. It is certain that bombs have been manufactured, and in large quantities. This is again a matter of interpretation: The Reich Air Ministry appears to take the view that at the discussion with Eden, we only renounced bomber aircraft as a type but not the dropping of bombs or bombs themselves. Bombs could also be dropped from the general combat aircraft which we have demanded for the immediate future. Accordingly, exercises in bombing from the air are to be started very shortly. "Started" really means "started officially", for trials with "mailbags" and the like have, to my knowledge, been going on for a long time.

As regards rearmament on land, several points are not clear. For example, I hear that 65,000 men, as "non-combatant auxiliaries" [*Heeresgefolge*], are not to be reckoned in the 300,000. It is certain that the total figure of 300,000 men will be reached by November 1 of this year, although during the direct negotiations we have always said that it would take a few years to turn the Reichswehr into an army of 300,000 men with a short period of service. I will not go into the militarization (and reduction??) of the police, although foreign countries are sure to be carefully watching this development too. Even under the Versailles Treaty we had quite a number of heavy guns. But these had to be casemated [*fest eingebaut*] (in fortresses etc.). Fortress guns of above 15·5 cm calibre were also permitted by the British memorandum of January 29,⁵ but they too had to be casemated. If we now manufacture and test heavy guns of above 15·5 cm, it will not be evident at first whether they are to be casemated in fortresses or attached to mobile artillery later. The border-line between the two is fluid. In the last resort it is the intention which is the deciding factor, thus affording every opportunity for suspicion. Are a few tanks of over 6 tons (and how many of these?) intended to be used in trials, compatible with the memorandum of April 16? A difficult question!

⁵ See document No. 4, footnote 4.

The repercussions abroad and the reaction of foreign Governments, particularly with regard to air armaments, are causing me anxiety. I enclose what Hoesch,⁶ Geyr,⁷ Köster⁸ and others have reported on this.

I return to the question of interpretation. Should it be decided that, for the time being, the programme of April 16, 1934, is to stand, this would certainly not help us unless, at the same time, the precise interpretation of this programme is laid down for the executive authorities, as we should otherwise be exposed to constant suspicion by foreign countries. The interpretation cannot be left to the subordinate authorities who are entrusted with putting it into effect.

Camouflage

We must always assume that nothing will remain secret. This is due, in my opinion, not only to the activities of spies and traitors but also to the innate German desire to boast. Should any proof be needed of the impossibility of maintaining secrecy, then I would remind you of the itinerary of the British journalist, Pembroke Stephens⁹ (expelled in consequence), which betrayed a good knowledge of certain rearmament activities. Moreover, there are things which cannot be kept secret. For a long time, for example, the Americans have objected to our giving priority to expenditure on armaments. At the present time foreign currency is being very strictly allocated. Army needs, e.g., aircraft engines to the value of RM 700,000, receive a 100 per cent foreign currency allocation, on the other hand vital food-stuffs, such as fats, only 15 to 25 per cent, vital raw materials (which can, however, be obtained in part with the assistance of acceptance credits) often nothing at all. Foreign countries are of course fully informed of our shortage of fats and draw their own conclusions from the priorities in the allocation of foreign currency.

In these circumstances the question arises as to whether and for how long a certain amount of camouflage can still be maintained. Naturally there are two distinct factors here: The point at which the opponent has so much proof that he can intervene (if he wishes) and the point at which so much has become public that he must intervene if he is not to lose face, or wishes to carry his parliament with him etc.

Eastern Pact

The enclosed despatch to the Missions¹⁰ shows the present stage of the negotiations.

⁶ Presumably document No. 99.

⁷ Presumably documents Nos. 90 and 98.

⁸ Presumably the telegram cited in document No. 101, footnote 7.

⁹ In a minute of May 17, 1934 (M8/M000294) Plessen recorded that Pembroke Stephens, the Berlin correspondent of the *Daily Express*, had been arrested on May 16, in the vicinity of an I.G. Farben factory "for suspicious behaviour". He was subsequently expelled.

¹⁰ Evidently circular IV Ru. 4469 of Aug. 16 (6695/H101115-20).

No one abroad doubts that the Eastern Pact in its present form is directed against us and aims at putting new shackles on us. We should therefore not play with the idea that we might be able to accept it. Foreign countries would never believe in the sincerity of our readiness to be a party to the treaty. On the other hand the Eastern Pact is such an absurd structure that it is not difficult to point out its faults. By means of negotiations on the pact and by demonstrating its shortcomings, we can weaken the Anglo-French-Italian-Russian coalition which was formed in June. That, however, would only be worth while if, in the course of these negotiations, we brought Britain and Italy back on to the basis of the arrangement with Eden, i.e., if we for our part adhered to the programme of April 16.

If we enlarge this programme, then we shall have to carry out or force through our rearmament in complete isolation. Neither Britain nor Italy nor Poland can publicly approve of unlimited German freedom in regard to armaments. Nor can they approve of an enlarged (even though limited) new German armaments programme. They would ostentatiously dissociate themselves from us so as to avoid being accused of complicity in our action, and would probably not refrain from collective *démarches* and possible sanctions by the Powers. If we wish to rearm autonomously and in isolation, then a previous weakening of the Eastern Pact front will be pointless. The front would anyhow immediately reunite. Negotiations on the Eastern Pact would then only increase mistrust. If we were to invite Britain and Italy to sit down with us at the same table, so to speak, in order to negotiate on the Eastern Pact, then we should thus give them the opportunity of ostentatiously leaving the table and dissociating themselves from us if our rearmament programme gave them cause to do so. With an enlarged armaments programme, therefore, there would be no alternative but to reject the Eastern Pact proposal in a dignified manner.

Therefore, if we adhere to the Eden programme, we should objectively and impartially point out the inconsistencies in the Eastern Pact and then set forth what, according to our view, are the essentials for safeguarding a real and reasonable peace. If, on the other hand, we enlarge our armaments programme we should have to reject the Eastern Pact in its entirety.

I fear that some people may get the idea that by genuine or sham negotiations on the Eastern Pact it would be possible to camouflage the reorganization of the Reichswehr and even make it palatable to the others—or at least gain time. I would especially warn against this. In view of the great mistrust with which Germany is regarded in foreign countries, this policy would lead to great disappointments and serious set-backs. Of course it can be said that one treaty more or less doesn't matter, seeing that we do not mean to attack anyone.

Here I do not intend to begin by going into the dangers which an Eastern Pact with *assistance mutuelle* in its proposed form contains for us, although these dangers are extremely great. In the present situation the decisive thing is that it will bring us nothing but new liabilities, and that for this reason any serious politician would be suspicious if we agreed to it. It would at once be perceived that it was only a tactical move to disguise feverish German rearmament by negotiating on the question of the Eastern Pact. There would be a corresponding reaction.

The Danger Points

At the negotiations in the spring, we were able, even though Britain, at least temporarily, made certain reservations against our defensive air armaments, to obtain Britain's and Italy's approval of our armaments programme.⁴ France's rejection caused her to be isolated. In the meantime we have alienated Britain by our alleged rearmament in the air and Italy by the Austrian incidents. We must try to pin them down once more to approval of our old programme. We cannot hope for more. It is at present quite impossible to obtain Britain's and Italy's approval for an enlarged armaments programme. The most that we can hope for is to weaken the Franco-British-Italian-Russian front created at the time of the Barthou visit to London. If, by giving up the camouflage or by forcing through undisguisable measures, we combine negotiations on the Eastern Pact with an enlargement of our armaments programme, then we shall compel Britain and Italy to dissociate themselves from us and our claims, destroy the results of the negotiations this spring and, moreover, force Britain and Italy, as regards the Eastern Pact question on which they might have been open to persuasion, to take their stand once more, as in June, at the side of France and Russia.

The situation, apart from a very early decision on the Eastern Pact, does not require any immediate action in foreign policy, but it does call for an immediate decision on the course we are to follow and, consequently, for clear instructions to the executive authorities on the extent and speed of our rearmament in the near future. If the situation remains unclarified and if we leave the question open in order to watch developments, then we will lose the chance of shaping events and will run into serious danger. To make no decision would, in the present situation, be the most dangerous of all decisions.

In judging the situation we should never overlook the fact that no kind of rearmament in the next few years could give us military security. Even apart from our isolation, we shall for a long time yet be hopelessly inferior to France in the military sphere. A particularly dangerous period will be 1934/35 on account of the reorganization of the Reichswehr. Our only security lies in a skilful foreign policy and in avoiding all provocation.

In so doing we must, of course, not only prevent the taking of military measures against Germany such as are being quite openly discussed in military circles abroad (see the remarks of the Swiss Corps Commandant Colonel Wille—Vienna report of July 16¹¹ in the enclosed papers). In view of our isolation and our present weakness economically and as regards foreign currency, our opponents do not even need to expose themselves to the hazards, the odium and the dangers of military measures. Without mobilizing one man or firing one shot, they can place us in the most difficult situation by arranging either a covert or an overt financial and economic blockade against us. In a few of the most important countries "mobilization measures" for this purpose, within the framework of the economic sanctions in Article 16,¹² have been in readiness for years. In my view, however, we need not, at the moment, fear a preventive war. For France, Britain and others will first wait to see whether, and how, we shall deal with our economic and other difficulties. Their present restraint, however, must not make us think that they would still remain passive if they had nothing more to expect from German domestic difficulties and if we rearmed intensively. France and Britain too would then intervene, the more so as they could not permit an unlimited autonomous German rearmament. It would be wishful thinking to expect them to wait until we were strong enough to be a serious danger to them. They would probably demand guarantees regarding the extent and purpose of our armaments even before we had recovered economically.

Conclusions

I can dispense with these by leaving it at what I have already said. It is quite clear to me that the advantage to be gained from an enlargement of the programme of April 16 can never be great enough to make the risks which are connected with it worth while. [Once a decision in this sense has been reached, there only remains the question whether—after a preliminary statement of views, which is all that is required at present—we shall wish to direct the Eastern Pact negotiations towards a more positive or towards a negative outcome. In both cases we should once more state our demand for equality of rights.]¹³

I enclose a draft of a memorandum on the Eastern Pact,¹⁴ which should be communicated to the Governments concerned as quickly as possible. As you will see, the memorandum is so drafted that it sharply stresses our point of view on the question of equality of rights and our aversion to *assistance mutuelle*, but, at the same time, it seeks

¹¹ Not printed (M7/M000287-91); this was report No. 268 by the Military Attaché.

¹² See document No. 86, footnote 4.

¹³ The passage here printed in square brackets was deleted in the original before despatch.

¹⁴ Not found; see also footnote 1 above.

to prepare the way for further negotiations and to set them on a course which would be compatible with our interests and which would leave it open to us to adopt either a more positive or a more negative attitude later. I would recommend that the memorandum should, if necessary, be handed over simultaneously in London, Paris, Rome and Moscow in reply to the Eastern Pact proposals and recommendations which have come from all four sides, and of course, at the same time, for information in Warsaw, Prague etc. A previous understanding with Poland I do not regard as advisable. This would only be embarrassing for the Poles and, as it would not remain a secret, would lessen the force of the Polish rejection of the Eastern Pact.

No. 163

7477/H186781-83

State Secretary Bülow to Foreign Minister Neurath [at Leinfelden]

TOP SECRET

BERLIN, August 16, 1934.

e.o. II F Abr. 2095.

DEAR HERR VON NEURATH: In case you should consider it appropriate to make use of my long letter¹ regarding the decisions to be taken in respect of the Eastern Pact and of armaments in some form or other *vis-à-vis* the Reich Chancellor or Herr von Blomberg, I should like to add a few special lines for your personal information. In my long letter I deliberately refrained from working out any concrete *petitum* for the decisions to be taken in the sphere of rearmament, but you might like to know what I have in mind. I therefore attach as Enclosure 1 a decision about air armaments and as Enclosure 2 a directive for land armaments, which would seem right to me. The latter is deliberately couched in milder terms than the former since it would probably be advisable to concentrate our efforts on obtaining a clear directive in the first place on air rearmament and also to win the support of the Reichswehr Minister for it.

With kindest regards,

Yours etc.,

BÜLOW

¹ Document No. 162.

ENCLOSURE 1

1. The manufacture of aircraft bombs is to cease at once. The stocks in hand must disappear.
2. Bomber aircraft types shall not be produced. Any available types of this kind must disappear.
3. There is to be no training in bomb-dropping until further notice.

4. The production of combat and reconnaissance aircraft is to be organized in such a way that, in respect of numbers too, it is kept within the limits of the Statement of April 16² last.

5. The speed of production of the Ju. 52 and Do. 11 or similar types is to be arranged in such a way that, to experts, it would appear justified by traffic requirements.

ENCLOSURE 2

In the sphere of the army as effective and long-lasting a camouflage as possible is required. When its strength is raised to 300,000 men in November of this year, no new regimental numbers for shoulder straps and so forth should be issued for the time being.

The tests with guns larger than 15.5 cm and tanks of over six tons must, if they cannot be discontinued for the moment, be treated as top secret.

The passing of the Conscription Law³ [*Wehrgesetz*] is to be postponed.

² See document No. 4, footnote 8.

³ A draft conscription law, with a covering letter requesting views thereon, was circulated by the Reichswehr Ministry to the other Ministries primarily concerned on July 25, 1934 (7692/E548046-67). In the Foreign Ministry's reply of Aug. 30, 1934 (7692/E548080-86), Bülow pointed out that the question of whether such a law should be promulgated without the authorization of an armaments convention or other international agreement was a foreign policy decision of the utmost importance which could only be taken by the Chancellor. Moreover, the question of the application of the conscription law to the demilitarized zone of the Rhineland needed special consideration, and, even in the case of a unilateral settlement of the armaments question, it should be assumed that the demilitarized zone would continue to be recognized by Germany.

No. 164

7562/E542146

Foreign Minister Neurath to the Führer and Chancellor (at Obersalzberg)

LEINFELDEN, August 18, 1934.

[zu] Rk. 7395.¹

DEAR REICH CHANCELLOR: We can no longer delay stating our opinion on the Eastern Pact. I have written the enclosed short comments on the question.² In addition, I am enclosing a preliminary draft of a reply drawn up by my Ministry,³ which, while it has turned out to be somewhat lengthy, at any rate contains all the points to be raised by us.

I should be very grateful if you would give me an opportunity of

¹ Rk. 7395 was the registry number given to Neurath's covering note of the same day to Lammers (7562/E542145).

² Not found.

³ Not found; see document No. 162 and footnote 1 thereto.

reporting to you personally on, say, the 24th or 25th of this month, either in Berchtesgaden or in Munich. It might be desirable for Colonel General von Blomberg to be present also. I have already given him a brief account of the political situation at Tannenberg. It will be time enough if I receive information by telephone by the 23rd, as to when and where I may meet you.⁴

With best wishes,

Yours etc.,

NEURATH

⁴ A minute by Lammers of Aug. 22 (7562/542147) states that he had informed Hitler of the document here printed on the previous day. Hitler had kept the enclosures [i.e., the document here printed and the two enclosures referred to therein]. Further minutes by Lammers on the same sheet show that Neurath and Blomberg discussed the matter with Hitler on Aug. 23. No record of this discussion has been found.

No. 165

8672/E606889

The Führer and Chancellor to the Führer's Deputy

BERLIN, August 19, 1934.

Rk. 7394.

In pursuance of the policy which I have adopted with regard to German-Austrian relations, I request you to order, with immediate effect, that the Kampfring of the Austrians in the Reich be so re-organized as to exclude in future any political activities on the part of the Kampfring involving interference in Austria's internal affairs. The Kampfring is to be converted into a Relief Society [*Hilfsbund*], concerned only with the cultural, social and economic care of its members. In order to make this change apparent also to the world at large, the direction of the Kampfring should be placed in other, suitable, hands.¹

ADOLF HITLER

¹ Copies of this document were sent to the Foreign Minister and the Ministers of the Interior and of Propaganda, with a covering note of Aug. 21 by Lammers (8672/E606888) stating that a copy had also been sent direct to Papen. The Foreign Ministry copy of Lammers' note, which was registered as II Oe. 2257, bears the following marginal note: "For purposes of foreign policy it would have been more effective to disband the 'Kampfring' completely. R[enthe]-F[ink], Aug. 23."

No. 166

8648/E605586-89

Memorandum by an Official of Department II

SECRET

BERLIN, August 20, 1934.¹

II Oe. 2211.

On Sunday, August 19, Herr von Papen, who had returned to Berlin

¹ This document is printed here for the convenience of the reader.

for a day, asked me to call on him as he wished to discuss with me the impressions he had gained in Vienna. With the approval of Herr von Renthe-Fink, the Deputy Director, I went to see Herr von Papen in the afternoon, when he dealt with the following points:

1) *The situation in Austria*

Efforts were at present being made, with the agreement of the Austrian Government, to form a National Front, which was to comprise the National Socialist and, generally speaking, the nationalist-minded groups and to incorporate them in the Fatherland Front as a unified body. Their organizer was Rainthaler [*sic*: Reinthaller],² the peasant leader, who had so far been kept in the background by Habicht and who was already cooperating with Schuschnigg. The Führer and Reich Chancellor had expressed his approval of Rainthaler and of his activities.

To my question as to what attitude the Heimwehr would take to the National Front, Herr von Papen replied that this was not as yet at all clear.

2) *German-Austrian Relations*

The attitude of the Austrian Government towards Germany was cool and reserved and full of profound mistrust. Undoubtedly, the data they had collected concerning the July *Putsch* contained many facts which would compromise Munich.³ Our official statements were being described as untrue or incorrect in Vienna, and were being assessed accordingly. Herr von Papen recommended that complete reserve should be maintained in the press and on the wireless.

3) *Italian Guarantee Agreement*

With reference to Herr von Hassell's report of August 15⁴ regarding Italy's plans for guaranteeing Austria, Herr von Papen said it was absolutely essential for us to forestall these plans, as otherwise we should find ourselves placed in an extremely awkward position in September should Italy take action in Geneva. In the present situation an official declaration by the Führer regarding Austria's independence would produce no effective impression abroad. He would therefore like to suggest that we join the Three Power Pact.⁵ When I raised objections, he asked me to convey his suggestion to the State Secretary; should the Foreign Ministry manage to find a better solution he would be equally prepared to agree to it.

² See document No. 257.

³ A reference to activities in respect of Austria conducted from the Landesleitung Austria in Munich.

⁴ See document No. 161.

⁵ i.e., the Rome Protocols signed by Italy, Austria and Hungary on Mar. 17, 1934; see document No. 10, footnote 8. Marginal note: "In my opinion this would only lead to even greater demands being made on us. B[ülow], Aug. 20."

4) *The Question of Relief and Political Refugees*

Until recently Secretary of Legation von Broich⁶ had regularly been sent large sums—allegedly through the Foreign Ministry's courier—for Austrian Party members in distress or, as the case might be, for dependents of refugees now in Germany. He considered this, despite the great need, too risky and no longer feasible. He had asked Herr von Broich to report on how the money could be sent in future, possibly through Rainthaler's legitimate organization. I told Herr von Papen that ever since the Schneider affair in August of last year,⁷ the use of the courier for Party purposes had been expressly prohibited. I also informed him, with regard to the Austrian refugees arriving in Germany who were at present being arrested at the frontier and taken into custody by the police, that, at the request of the Foreign Ministry, a departmental conference was to be convened within the next few days by the Reich Ministry of the Interior, within whose competence this matter lay, for a discussion of the further handling of refugees. The Foreign Ministry, at any rate, was against moving the refugees to an assembly camp near Munich, as Brigadeführer Rodenbücher proposed to do; it seemed to me that the best thing would be for the Labour Front to find jobs for individual refugees in the north of Germany.

Regarding the Austrians who had gone to Yugoslavia,⁸ Herr von Papen entirely agreed with the Foreign Ministry's view that in no circumstances should they be brought to Germany.

5) *Alpine Montan*⁹ *and Chairman Apold*

The competent Austrian Ministers informed Herr von Papen in reply to his enquiry that it was not intended to take any further action against the Alpine Montan as such. On the other hand, proceedings had been taken against a number of leading personalities, in particular against Apold, the Chairman, and the latter—as was already known here—had personally been sentenced by the Director of Security to pay approximately 400,000 Schilling in compensation. The Austrian Foreign Minister, who, being a near neighbour, had detailed knowledge of the position in the Alpine Montan, stated that the rebels had been armed in the factory itself.

In the case of Apold, who is a Reich German, the [German] Foreign Ministry will probably have to await the result of the proceedings.

6) *Financing of the Wiener Neueste Nachrichten*

Herr von Papen handed me the attached note¹⁰ regarding the

⁶ Georg von Broich-Oppert, Secretary of Legation at the German Legation in Austria.

⁷ See vol. I of this Series, document No. 407.

⁸ See document No. 134, footnote 5.

⁹ An important Austrian iron and steel concern, a large percentage of whose shares were in German hands, and whose chairman, Dr. Anton Apold, was a Reich German.

¹⁰ Not printed (6079/E450925-26). This note stated that it appeared that about 300,000 Schilling had been taken out of the control of the Austrian Government's

W[iener] N[eu]este N[achrichten] and asked me to ascertain whether Germany should provide the requisite 300,000 Schilling. There had evidently been a sham manœuvre under a new Austrian law, in order to have the share capital certified by a Notary Public as amounting to the sum required. Apart from the Press Department [Abt. P.], Professor Heide¹¹ might perhaps be consulted first.

In conclusion Herr von Papen informed me that he would be seeing the Reich Chancellor at 5 o'clock in order to report on his journey,¹² and he would then once again take the opportunity of pressing for the immediate disbanding of the Austrian Legion and of Obergruppe XI of the SA (Reschny). In the evening he would be departing for Wallerfangen for a short rest and would only be leaving there in order, at the Führer's request, to attend the Saar demonstrations on August 25 and 26. Then, in the course of September, he would take up his post in Vienna for good.

The memorandum concerning the Three-Power Pact¹³ requested by the State Secretary for the Foreign Minister follows separately.

HÜFFER

Commissioner under whose supervision the newspaper had been placed after the events of July 25, and that in consequence criminal proceedings were threatening and might involve Reich German authorities.

¹¹ Walther Alex Heide, Professor of Journalism at the Technische Hochschule, Berlin, and a member of the Council of the Reich Press Chamber; formerly Head of the Home Division of the Combined Press Department of the Reich Government and Foreign Ministry.

¹² See document No. 167.

¹³ See document No. 174 and footnote 11 thereto.

No. 167

6081/E451079-92

Minister Papen to State Secretary Bülow

2 Enclosures

BERLIN, August 19, 1934.

II Oe. 2224.

DEAR HERR VON BÜLOW: I enclose a report¹ concerning my assumption of office and a brief assessment of the situation,² which I discussed in detail today with the Reich Chancellor in connexion with Hassell's reports [*sic*] of August 8, 1934.³

I reported to him that in my opinion the *désintéressement* so far evinced by the order for the dissolution of the Landesleitung Munich and the reconstitution of the Legion (which has not yet been carried out) etc., was not sufficient to dispose of the question, which lies at the

¹ Enclosure 1.

² Enclosure 2.

³ Document No. 152; see also document No. 161.

heart of [our] European policy as a whole, in such a way that it would no longer have a disturbing effect in other fields.

The anxiety entertained by Herr von Hassell about a *démarche* which Rome may be intending to make in Geneva, was confirmed to me in Vienna. I cannot, admittedly, believe that the Italians would ever entirely abandon the policy they have pursued so far and completely align themselves with the French. But any action against us in the Austrian question would be highly unpleasant, also as regards further developments.

In considering whether our accession to the Three Power Pact⁴ might not perhaps be the least costly way of recognizing Austria's independence and at the same time of restoring the broken link of German-Italian relations, the Reich Chancellor is primarily worried by economic questions, for the political protocol of the Three Power Pact contains only a general declaration of independence by the interested Powers without actually naming Austria. In my view, the provisions regarding economic aid, too, could be treated dilatorily, if only the unfortunate 1,000 Mark fee⁵ were not involved. The Reich Chancellor does not at present wish to revoke it in any circumstances.⁶ Nor did Schuschnigg, when I saw him, express any desire that it should be revoked. He is probably aware that in the present circumstances it would not be desirable to open the frontiers.

The Reich Chancellor requests you to examine the question of our possible accession to the Three Power Pact from the political and economic aspects and to send a report on this to Berchtesgaden, where he will be going tomorrow. I myself am going on leave to Wallerfangen/Saar, but shall be seeing the Chancellor next Sunday⁷ on the occasion of the Saar demonstration so that the question could, if necessary, be further discussed there.

I assume that Herr von Neurath is still on leave, which is why I am sending this letter to you.

Yours etc.,

PAPEN

[Enclosure 1]

Copy⁸
A 2335

VIENNA, August 17, 1934.

POLITICAL REPORT

The presentation of my credentials yesterday went off in the usual

⁴ i.e., the Rome Protocols signed by Italy, Austria and Hungary on Mar. 17, 1934; see document No. 10, footnote 8.

⁵ For the imposition of the 1,000 Mark fee for visas for travel to Austria other than for business purposes, see vol. I of this Series, document No. 262.

⁶ See also document No. 150, enclosure.

⁷ i.e., Aug. 26.

⁸ The original of this report was addressed to Hitler, to whom Papen, as Minister on Special Mission to Austria, was directly responsible (see document No. 123).

manner—the only restriction being that a large area was cordoned off by the police, clearly in order to avoid demonstrations by the public. When I called on Foreign Minister Berger⁹ beforehand, I broached the question of the publication of the speeches of welcome which were to be made by both sides. Baron Berger was at first against it on the grounds that publication had never been the custom in Vienna. Not until Prince Erbach, who accompanied me, had pointed out that when Minister Dr. Rieth took up his post the speeches of welcome were also published, did he say that he would not object to publication. The Vienna press, with the exception of the official paper, then printed the speeches of welcome but, obviously at the Government's instance, without any comment. It is clear that it was wished to divest my assumption of office as far as possible of all political significance.

The meeting with the Federal Chancellor and the Federal President went off with the appropriate courtesies, but I had the feeling that I was visiting a churchyard instead of meeting German-Austrian statesmen at a ceremony of welcome. I was told by a third party, however, that in diplomatic circles here there was even some surprise over the "cordial" tone of the speeches of welcome.

The official reception was followed at midday today by the first detailed conversation with the Federal Chancellor and the Foreign Minister. I began by saying that I did not wish to leave the Federal Chancellor in any doubt as to the object of my mission and that, in accordance with the Reich Chancellor's instructions, I had naturally accepted this mission in order to carry it out conscientiously both as regards the letter and the spirit. My task had intentionally been given the nature of a short-term special mission in order to emphasize its importance in view of the seriousness of the situation. Colonel Adam's¹⁰ suggestion on the wireless that I would now continue in "tails" the "brown-shirt" policy hitherto pursued, was a regrettable misjudgement of the situation. The Reich Chancellor was not only determined, for the sake of a *détente* in Europe, to respect Austria's formal independence, but he also recognized Austria's right to settle her own internal affairs independently. But apart from the European aspect of the problem, there was also the equally important pan-German question. Now that National Socialism had taken possession of Germany, this ideological revolution must naturally also have repercussions beyond the frontiers of Germany, especially in a country with the same culture, customs, language and tradition. One could not hope to dam the ebb and flow of spiritual struggles by barricading the frontiers with police posts. Germany would indeed, and this I

⁹ Egon Freiherr von Berger-Waldenegg.

¹⁰ Walter Adam, Federal Commissar for Propaganda and Secretary General of the Fatherland Front.

could vouch for, take all the necessary measures to prevent Austrians living in Germany, or other agencies and persons, from interfering in Austria's internal affairs. But this was the limit to which she could go in her endeavours to restore normal relations. In order to bring about internal peace the Austrian Government must act independently. It was, however, to be feared that if the present policy and the severe persecutions and sentences continued, fresh revolts might perhaps result, all responsibility for which the German Reich Government must, even now, reject in advance.

In this connexion I also mentioned the persecution of those national elements who for fifteen years had loyally and honestly advocated the idea of the *Anschluss* but who had never formally been members of the NSDAP. I mentioned the prohibition of any exchange of ideas and the singular fact that not a single German newspaper or scientific journal was to be had in the whole of Austria, and I asked the Federal Chancellor to tell me what would happen about these matters in future.

The Federal Chancellor first thanked me for the frankness of my statements and then gave the basic points of the policy which he intended to pursue. He emphasized that he, a Tyrolese by birth, had always felt special sympathy for Austria's German rôle and for his country's *volksdeutsch* tasks. Nevertheless he was firmly resolved not to allow Austria to become a colony or province of the German Reich. The advantage of the newly formed Cabinet was that it now only included "Austrians" in this sense. He noted with gratitude my assurances that the Reich Government wished to safeguard Austria's integrity at home and abroad. It remained to be seen whether this promise would be kept.

In reply to my observations regarding the need to tranquillize Austria's internal position, Dr. Schuschnigg said he would as far as possible speed up the trials concerned with July 25.¹¹ It was impossible to do without an investigation and the punishment of the actual instigators of the *Putsch*, but he hoped that these matters would in the main be settled by the beginning of September, unless such fresh facts should come to light in the course of the trial as would necessitate further trials. He was also determined that the "small fry" the "stooges" and the "fellow-travellers of the action of the 25th" should be let go. When I asked whether this would be done in the form of an amnesty he replied: "No, we will set these people free without an amnesty. The question of an amnesty will be dealt with later."

The Foreign Minister then returned once more to the question of the measures promised by Germany and emphasized that the centre of the

¹¹ See documents Nos. 115 and 119.

intellectual influences affecting the struggle against the Austrian Government was the "Kampfing of the Austrians". A change was especially necessary here. I promised to try to obtain information about this organization. In the further course of the conversation the economic situation was also discussed and here the Federal Chancellor mentioned the closing of the frontiers and the harm that had thus been done to Austria. He did not, however, say that he wished this closure to be removed, as he probably thought that, if only from the point of view of policing the frontier, this was not possible at the present time. I in turn raised the question of the action by Austrian Government officials against the Alpine Montan,¹² whose chairman, Apold, was fined 400,000 Schilling, and I asked for an explanation of the reasons for this action. Baron Berger replied that he was particularly well acquainted with the state of affairs in the Alpine Montan. It had for a long time been a centre of political activity directed against the present Austrian Government. When I objected that in our experience the political sympathies of the workers were in fact never influenced by the management of a firm but always and solely by political factors outside the works, he replied that he had to state that the personnel policy pursued at this factory had been entirely National Socialist and that the men taking part in the *Putsch* of July 25 had been armed from stocks stored on the premises of the Alpine Montan. Further details would be established by means of an investigation. Apart from this he assured me that the Government had no intention of inflicting any economic damage on the firm.

Both the conversation with the Federal Chancellor and the contact I have so far had with other personages have confirmed me in the conviction that there is everywhere an abysmal distrust of Germany and of any promises made by the Reich Government. It will take a considerable time to clear the ground for a composition of our differences, and, even now that I have observed the local conditions, I think it would be desirable for me to go on leave first.

Dr. Schuschnigg will, of course, make every effort to ensure Austria's independence, but it is not my impression that he will for this purpose make her even more dependent on Italy than she is now. For this reason I also regard as not strictly pertinent the anxiety expressed in Ambassador von Hassell's report of August 8, 1934—I 934³—concerning a possible Italian-Austrian alliance. A much greater danger seems to me to be a possible attempt via Geneva to cause us to make a declaration of independence.

The Hungarian Chargé d'Affaires¹³ on whom I called today told me that he had been apprised of certain efforts in this direction. Pre-

¹² See document No. 166, footnote 9.

¹³ Baron Bakách-Bessenyei.

sumably it would be proposed that we, together with France and Italy—and perhaps with other Powers as well—should give a formal guarantee of Austria's independence. Since it was clear from the start that we would not be induced to take such action, the French would only welcome our opposition as a further justification of their attitude on the Austrian Pact question.

It should therefore be for consideration what preventive action we ourselves could take in this respect.

A fresh declaration by the Reich Chancellor regarding Austria's independence—even if given in the most solemn form—would, in my opinion, have no effect at all in view of present conditions in Vienna, since such a declaration would be suspected by all sides, its importance minimized, and a general attack made upon it. It could at best only be effective in several weeks' time when people have had time to realize that Germany's promise about non-intervention in Austrian affairs has indeed been kept. Nor can I visualize what form a truce of five or ten years' duration, such as suggested by Herr von Hassell, could take. A truce of this kind could only be concluded in the form of a reciprocal agreement, and yet it would really seem ridiculous to let Austria guarantee our independence. Since, however, many of our friends here share Herr von Hassell's concern regarding the action which Rome might take jointly with the French in Geneva, it remains for serious consideration whether it would be possible to achieve temporary security for Austria and an improvement in German-Italian relations by Germany's accession to the Three Power Pact.

At the time, we refused to accede because, among other things, it was a matter of prestige for us that we should not join after the others.¹⁴ Today the situation is different. Our accession would for one thing be of great help to Hungary, it would to a certain extent weaken Italy's powerful influence, and in particular it would prevent Italy from going over to our opponents' camp. The main thing, however would be that we would create a much more favourable basis for the negotiations on the Austrian Pact.

I am convinced that, under the present circumstances, it is not enough to demonstrate our *désintéressement* as regards Austria by means of the measures which have already been ordered, but not announced, by the Reich Chancellor,¹⁵ and to wait for them to take effect, which may take months. We must prove to the interested European Great Powers, by taking a further initiative, how serious is our intention of overcoming the present tension in Europe.

V. PAPEN

¹⁴ See vol. II of this Series.

¹⁵ See documents Nos. 149 and 151.

[Enclosure 2]

BERLIN, August 19, 1934.

GUIDING PRINCIPLES FOR GERMAN POLICY *VIS-À-VIS* AUSTRIA IN THE
IMMEDIATE FUTURE

(These guiding principles were approved by the Reich Chancellor on August 13, 1934.)

In accordance with the Reich Chancellor's letter to Herr von Papen of July 26, 1934,¹⁶ relations between the German and Austrian States are to be "guided once more on to a normal and friendly course". The pre-requisites for this are, on the part of

1) *the Reich*: to avoid any appearance of meddling in Austria's internal affairs;

2) *Austria*: to put a stop to the fight from Austrian soil against the National Socialist régime in Germany and to restore peace with those sections of the Austrian people whose sympathies are with Greater Germany.

From this emerge the following guiding principles for the

1) *policy of the Reich*

a) to deal with the Austrian question is the exclusive concern of those persons whose function it is to conduct foreign policy;

b) any participation in Austrian affairs by Party offices in the Reich is to be stopped;

c) no Austrian fighting organization of any kind will be tolerated in the Reich if it attempts from there to intervene in the development of Austria (Landesleitung, Legion,¹⁷ Kampfiring, etc.);

2) *policy of the Party*

a) complete separation, as regards organization, of the Party in the Reich and the Austrian Party;

b) exclusion of all persons compromised by having been leaders of the fight so far from the leadership of the Austrian Party. Nor must such persons be "rewarded" for their "services" by being appointed to important posts in the Reich, for they have committed serious political crimes and murders; the position of the Party members in Austria, if nothing else, demands that they be so excluded.

¹⁶ Document No. 123.

¹⁷ See also documents Nos. 135 and 141. In a memorandum of Aug. 16 (6115/E454890-91) Hüffer recorded that the Führer's Deputy, Hess, had told Renthe-Fink that no decision had yet been taken concerning the Austrian Legion, and that on Aug. 14 Muff, the Military Attaché in Vienna, had stated he was going to raise the matter with Hitler when reporting to him later that day. A marginal note on this memorandum reads: "Please take no further steps at present. Herr von Papen will take this whole question in hand. B[ülow], Aug. 16."

Points for implementing policy within the above framework:

a) Above all, easing of the atmosphere without false considerations of prestige. This entails the stopping of all aggressive press and wireless propaganda. The best thing would be for Austria to be mentioned as little as possible in the Reich for some time; this will deprive the counter-propagandists of material. The Führer has ordered that in future political statements about German-Austrian policy in the press and on the wireless may only be made after having previously been agreed upon between the Reich Propaganda Minister, the Foreign Minister and Herr von Papen.¹⁸

b) Attempts to bring about normal relations must be made without undue haste, as otherwise we will only cause the forces at present in opposition to one another (Christian Socialists—Heimwehr) to unite.

c) Austria's national forces must conduct their own affairs independently, and they can only be given such moral or economic support as is consonant with [our] foreign policy. Such independent endeavours to unite national forces are indeed approved by the Führer.

d) Cultural and economic ties should be established between the two countries wherever possible. In particular the German press and wireless must influence Austrian affairs by emphasizing, much more than hitherto, Germany's cultural and economic achievements under National Socialism.

PAPEN

¹⁸ See document No. 151.

No. 168

6691/H098300

The Minister in China to the Foreign Ministry

Telegram

No. 89 of August 20

PEKING, August 20, 1934—4:20 p.m.

Received August 21—2:25 p.m.

IV Jap. 986.

With reference to your telegram No. 62¹ and my telegram No. 86.²

1. Seeckt requests that the Military Attaché in Tokyo should refrain from any mediation.

¹ Not printed (6691/H098294); in this telegram of Aug. 13 Bülow repeated the main contents of document No. 153 and the text of document No. 157 and requested Trautmann's opinion on the matter and whether contact of a non-compromising nature was possible.

² Not printed (6691/H098296); in this telegram of Aug. 17, in reply to Berlin telegram No. 62, Trautmann reported: "In my opinion we shall be falling between two stools if we take the Military Attaché's advice. However, I will speak to Herr von Seeckt and then telegraph."

2. He is prepared to receive the Japanese Military Attaché if an appropriate request from the Japanese side reaches him through me.

3. He would then report to Chiang Kai-shek on the Japanese move beforehand and obtain his approval.³

TRAUTMANN

³ In telegram No. 69 of Aug. 29 (6691/H098304) Bülow replied as follows: "Ott has been authorised [in telegram No. 93 of Aug. 29 (6691/H098302-03)] to draw the Japanese General Staff's attention in a suitable manner to the opportunity for the Japanese Military Attaché to contact Seeckt. Tokyo has been instructed not to pass on information direct to Peking but to report here by telegram, about which further instructions will be issued from here."

No. 169

9272/E657712-20

*Circular of the Foreign Ministry*¹

BERLIN, August 20, 1934.

W 7167.

With reference to our circular W 4123 of June 18, 1934.²

I. Since our circular of June 18, 1934, was sent out, Germany's commercial policy has necessarily continued to develop in such a way that customs and quota agreements are becoming progressively less important and the allotment of foreign exchange for foreign imports into Germany is gaining in importance. The many negotiations with foreign Governments during the past few weeks have dealt almost exclusively with this question. It has emerged from these negotiations that most of the Governments were prepared to enter into trade agreements with Germany only if payment for the goods imported into Germany from their countries could be guaranteed in some way or other.

There are at present three types of such trade agreements.

(1) In the case of a number of States, such as Denmark, Estonia, Latvia, Czechoslovakia, Hungary, Yugoslavia, Bulgaria, Rumania, Greece and Turkey, clearing agreements have been signed between the Central Banks of either country. These clearing agreements have been concluded partly with and partly without the formal cooperation of the Governments but naturally with their approval. They are reciprocal. Their object is to channel the payments for the entire trade between the two countries through special accounts with the two Central Banks. In practice the exchange of goods is, therefore, carried out in such a way that no third currency is required. Foreign exchange control by the Governments of the two countries is, however, not affected by these agreements.

¹ Addressees were all Missions, except the Embassy to the Holy See, and all Consulates General.

² Document No. 13.

(2) We have so-called *payments agreements* with a number of other states (Belgium, the Netherlands, Sweden, Norway, Finland, Spain, Portugal, Italy and, until a short time ago also France and Switzerland). A similar payments agreement was also signed recently with Britain.³ These payments agreements are unilateral in that they only provide for the payment of goods imported into Germany from these countries. The important aspect of these payments agreements is that goods from these countries may be paid for by remittances into special Mark accounts, if the German importer's general foreign exchange allocation is not sufficient for their direct payment. These Mark accounts were to be used only for the purpose of paying for German goods exported to these countries. For a time these payments agreements fulfilled their purpose fairly well to the satisfaction of the countries who were parties to them. In view of the progressive reduction of general foreign exchange allocations down to five per cent,⁴ the payments into and balances in the Mark accounts have grown to such proportions as to constitute a serious threat to the rate of exchange of the Mark. These payments agreements have also been frequently misused and evaded in so far as goods from other countries, goods in transit, colonial goods, etc. have been cleared through them. The value of these payments agreements to other countries has also been considerably reduced by the fact that during the past winter agricultural⁵ products subject to monopolistic management,⁶ as well as commodities whose importation was prohibited and finally, last spring, payments for raw materials, and semi-manufactured goods (cotton wool, hemp fibres, hides and skins, base metals, rubber, etc.) subject to regulation, were exempted from general foreign exchange permits and therefore also excluded from these payments agreements.

In spite of all this, the payments agreements could have operated if the foreign importers of German goods had, as was mutually expected when the payments agreements were signed, accustomed themselves to paying for German goods in Marks and had withdrawn these Marks from the Mark balances held in the special accounts. However, this was not done on the expected scale and as a result the constantly increasing credit balances in the special accounts eventually became an intolerable burden. The continued operation of these payments agreements had, therefore, recently to be made dependent upon the condition that payments into the special accounts must not exceed certain maximum amounts.⁷ Whenever a fixed maximum amount

³ See document No. 155, footnote 1.

⁴ i.e., five per cent of the basic foreign exchange allocations fixed on June 23, 1932, (on the basis of the statistics for 1931); see the *Reichsanzeiger* of Aug. 16, 1934.

⁵ The word "agricultural" was omitted from the mimeographed text of this circular (9272/E657730-37), although no such omission was indicated on the draft.

⁶ See document No. 13, Section III, 2(a).

⁷ See documents Nos. 130 and 155.

has been reached, further payments are temporarily suspended and permitted again only when the account has fallen below the maximum. The new payments agreement with Britain has already been concluded on this fresh basis. Other countries objecting to such a ceiling on special accounts have been given notice of termination of the payments agreements, for example, Holland, Belgium, Portugal and Finland.

(3) The most recent payments agreements of this type are bilateral clearing agreements arranged between Governments such as were concluded with Switzerland⁸ and France⁹ a short time ago. They are reciprocal in that they not only provide for the payment of foreign imports into Germany, like the payments agreements dealt with under (2), but also for the payment of German exports to foreign countries. Moreover, in contrast to the clearing agreements mentioned under (1), their object is also, wherever possible, to remove, without endangering the German currency, the obstacles of the German foreign exchange laws which militate against imports into Germany.

There are two main points regarding these clearing agreements. One is that they not only provide for the payment of mutual trade but also for the transfer of Germany's financial liabilities towards these countries; in the case of France interest on the Dawes and Young Loans, in the case of Switzerland, the transfer of private financial liabilities as well. The second is that after Germany has paid her trade debts to these countries and after she has discharged these financial obligations, she will in some form or other have a guaranteed disposable foreign exchange surplus for the benefit of the Reichsbank. This is arranged in the agreement with France in such a way that a certain percentage of the value of German exports to France is periodically placed at the unrestricted disposal of the Reichsbank; in the agreement with Switzerland in such a way that every month a fixed sum of francs (five million Swiss francs) is paid into an open account with the Reichsbank. It is evident from this that such bilateral clearing agreements can only be concluded with countries with whom Germany not only maintains an active trade balance but also an active balance of payments, especially with regard to the items included in the agreement, and who are at the same time willing to acknowledge this and to guarantee it on an adequate scale and one appropriate to the position so far. This is a definite precondition for this latest form of payments agreements. Various other countries, such as Italy, Belgium and Norway, have recently endeavoured to make similar arrangements with Germany. It cannot be judged yet whether such efforts will be successful.

II. Meanwhile, the constantly dwindling foreign exchange reserves and receipts are compelling the Reich Government to seek ways of

⁸ See document No. 38, footnote 8.

⁹ See document No. 108, and footnote 2 thereto.

striking an effective balance between imports and available foreign currencies. It has been the practice for some weeks¹⁰ that the Reichsbank allocates each day for various purposes (acceptance credit bills, standstill obligations, liabilities of public departments such as the Foreign Ministry, the Reich Posts, the Reich Railways, essential raw materials and foodstuffs, essential semi-manufactured goods and other commodities) only an amount of foreign currency equivalent to that actually received each day by the branches of the Reichsbank. This procedure certainly has, on the one hand, the advantage that the Reichsbank's own reserves of foreign exchange and gold can no longer be touched, but, on the other hand, the disadvantage that every day a portion of our debts arising out of imports remains undischarged. It is clear that such an arrangement can only serve as a makeshift for a short time. In the long run it would mean that a portion of our debts to foreign countries arising out of their exports to Germany will remain undischarged and in this way we will again incur constantly increasing liabilities abroad. It is estimated that in the present state of affairs fresh liabilities of up to 100 million Reichsmark per month would thus accumulate.

Apart from the danger of thus contracting fresh external debts, the fact that Germany should buy and import more goods than she can currently pay for is intolerable from the point of view of commercial integrity. If the Reich Government decide shortly to adopt new measures in order to adjust imports to the actual availability of foreign exchange they will at the same time be acting in the long-term interests of foreign countries; for it is also intolerable for foreign countries to sell and export to Germany and then not to receive payment. In any case, complaints from abroad regarding the accumulation of outstanding debts are constantly becoming more numerous.

The details of the impending new system have not been decided yet. Broadly speaking, its basic principle will probably be that instead of the Reichsbank's present method of subsequent daily foreign exchange allocations, there will in future be an advance foreign exchange allocation, that is to say, the foreign exchange receipts available in future will be estimated on the basis of past experience and allocated for various purposes. Foreign goods will then be allowed into Germany for the open market only to the extent to which, by this method, it is possible to set aside in advance foreign exchange for the different consignments.¹¹ Naturally, in the first place only goods needed by Germany, such as raw materials, foodstuffs and semi-manufactured products, will be considered for these foreign exchange allocations. It

¹⁰ See document No. 18, and footnote 5 thereto.

¹¹ In a circular of Aug. 28 (9037/E633286-89) the addressees of the document here printed were informed that this formula had been modified in the sense of document No. 175.

is clear that, in its overall effect, this will once again lead to drastic restrictions on foreign imports, which will particularly affect imports of finished products, and that these restrictions will lead to fresh and vigorous complaints and representations from abroad. Some of the countries will probably not be prevented from taking counter-measures although, as already explained, these countries should realize that the present system of subsequent foreign exchange allocations and partial non-payment of their outstanding debts is even less supportable for them. Any such counter-measures must be accepted as inevitable, unless they can be prevented by negotiation. Everything will be done here in order to render the interim period especially somewhat easier for foreign countries. It is very likely that a large portion of the existing agreements on the exchange of goods (import quotas) will have to be adjusted to the future situation by negotiation. The same applies to the existing payments agreements, since these must also be more or less adjusted to the new restrictions.

The Missions will receive further information regarding the impending new system in due course, probably very soon.¹² Until then, the last part of the foregoing statements is for your information only.

By order:
RITTER

¹² See also document No. 207.

No. 170

7477/H186784-85

Memorandum by an Official of Department II

BERLIN, August 20, 1934.
e.o. II Abr. 2114.

Fliegerkommodore Wenninger¹ rang me up this morning with reference to our recent conversation on the question of air rearmament² and informed me that Herr Fisch³ and he had given State Secretary Milch a report on our discussion. The latter had stated that the Reich Air Ministry must comply with the Führer's decision. A short time ago the Führer had said that the programme of April 16⁴ was now no longer decisive. When one had written a letter six months ago to which no reply had been received, one could not be expected still to be bound by what the letter had contained. The Reich Air Ministry had been informed of the Führer's view by the Reichswehr Minister. I told Herr Wenninger that I could not see how the Führer could have

¹ Director of the Central Department in the Reich Air Ministry.

² See document No. 154.

³ A Ministerialdirektor in the Reich Air Ministry.

⁴ See document No. 4, footnote 8.

given such an order, especially as the Reichswehr Minister, to my knowledge, was himself of the opinion that the programme of April 16 must be adhered to. I then rang up General Schönheinz and asked him for his views on Kommodore Wenninger's statement. General Schönheinz knew nothing about the Führer's order in question or about the statement which the Reichswehr Minister had made to the Reich Air Ministry. He thought, however, that the Reichswehr Minister was certainly inclined to believe that the programme of April 16 could not be adhered to in respect of bomber aircraft, since matters had progressed so far in the Reich Air Ministry.

Kommodore Wenninger told me furthermore that the Reich Air Ministry would do what it was instructed to do; in this connexion this could not be otherwise understood than that the Reich Air Ministry could not assume any political responsibility and that, if the political situation demanded different decisions and if these were taken and put into the form of an order by the Führer, the order would naturally be carried out.

To be submitted, together with a copy, to the State Secretary for his information.

F[ROHWEIN]

No. 171

6695/H101231-34

*The French Ambassador in Germany to the State Secretary*¹

BERLIN, August 20, 1934.

IV Ru. 4667.

MY DEAR STATE SECRETARY: With reference to the conversation we had this morning,² I enclose the text of an outline drawn up after the exchange of views between M. Barthou and M. Litvinov concerning a project for an Eastern Pact.

This document is identical with that which was sent to Baron von Neurath by the British Ambassador on July 12;³ that is why I had thought it unnecessary until now to send you a copy in French. You will, however, note that at the end of the section relating to an agreement planned between France and the Soviet Union, there is an *addition*, the object of which is to take into consideration a possible desire on the part of Germany to have extended to her project [*sic*]⁴

¹ The originals of this document and enclosure are in French.

² In a memorandum of even date (6695/H101212-13) Bülow recorded that he had told the French Ambassador that the German Government had been expecting a document giving fuller details of the proposed Eastern Pact, especially in view of the discrepancies between the two documents handed over by the British Ambassador.

³ See document No. 85.

⁴ As is apparent from the relevant clause in the enclosure, this should read: "benefit [*profit*]".

the guarantees stipulated either for France's benefit or for that of the Soviet Union.

Pray accept, my dear State Secretary, the assurances of my highest consideration.

ANDRÉ FR[ANÇOIS]-PONCET

[Enclosure]

Outline

[I]

TREATY OF REGIONAL ASSISTANCE

Signatories: Germany, Estonia, Finland, Latvia, Lithuania, Poland, Czechoslovakia and the U.S.S.R.

Part I

A first article, comprising an undertaking within the framework of the League of Nations immediately to lend assistance to a Contracting State attacked by another Contracting State.

A second article, comprising an undertaking not to support a non-Contracting State in an attack upon a Contracting State.

Part II

A third article. In the event of a Contracting Power being attacked by a Contracting Power, or threatened by such an attack, an undertaking to consult together with a view to avoiding a conflict among the Contracting Powers and promoting a return to peace.

A fourth article, comprising the same undertaking in the event of attack or threatened attack by a non-Contracting Power upon a Contracting Power.

A fifth article, providing for the possibility of extending the consultations referred to in Articles 3 and 4 to other interested Powers or Powers entitled to participate in the consultations by virtue of other treaties.

A sixth article, providing that, in the event of its being necessary to apply Articles 10 and 16 of the Covenant of the League of Nations for the benefit of one of the Contracting Parties, the other Contracting Parties shall make every effort to secure a complete application of these provisions by the League of Nations.

Clauses on duration and ratification.

II

AGREEMENT BETWEEN FRANCE AND THE U.S.S.R.

A first article providing for acceptance by the U.S.S.R., as towards France, of the obligations which would arise for the former from the Treaty of Locarno if she were a signatory to that Treaty on the same footing as Great Britain and Italy.

A second article, providing for acceptance by France, as towards the U.S.S.R., of the obligations which would arise for her from the first part of the Treaty of Regional Assistance, where it is a question of:

1) action in fulfilment of Article 16 of the Covenant of the League of Nations;

2) action by reason of a decision taken by the Assembly or by the Council of the League of Nations, or in fulfilment of paragraph 7 of Article 15 of the Covenant of the League of Nations.

A third article providing that, in the event of consultations between the Powers signatory to the Treaty of Regional Assistance, under the Second Part of the said Treaty, France would be invited to participate.

The same duration as for the regional Pact, ratifications.

Although the agreement takes the form of a Franco-Russian agreement, there would be nothing against extending to the benefit of Germany, at the request of the German Government and on their assumption of the corresponding obligations, the guarantees herein provided, whether for the benefit of France or of Russia.

III

GENERAL ACT

Signatories: All States signatory to the Treaty of Regional Assistance and in addition France.

A first article, providing for recognition of the two Treaties as being of a nature to contribute to the maintenance of peace and as not meeting with any objection on the part of the Signatories.

A second article, providing that these treaties shall be without prejudice to the rights and obligations of the Contracting Parties as members of the League of Nations.

A third article providing for the entry into force of the three acts to be subject to their ratification by the signatory Governments and to the entry of the U.S.S.R. into the League of Nations.

No. 172

8987/E630187-88

The Director of the Economic Department to the Embassy in Japan

Telegram

No. 88

BERLIN, August 21, 1934—6:30 p.m.

zu W 6426¹ I.

With reference to your telegram No. 98.²

¹ Not printed (8987/E630175-76); in this letter of Aug. 1 addressed to the Foreign Ministry, the Reichsbank Directorate signified their approval in principle of a clearing agreement with Manchukuo, subject to certain reservations.

² Not printed (8301/E589628); in this telegram dated July 25 but despatched on July 27, Dirksen reported having learned from Harada, a confidential agent of the Manchukuo Government, that the hold-up in negotiations had given the Manchukuo

Zores,³ who will arrive in Tokyo at the beginning of September, has been told that the Reich Government agree in principle to the negotiations for a compensation transaction involving soya beans in return for industrial products through the German-Manchukuo Export and Import Company. A precondition is that the company should not claim a monopoly and should give other firms a reasonable opportunity to participate. You should inform Zores that the transaction should at first be limited to five million marks and if it proceeds smoothly it can be increased to ten million. You should assist Zores as much as possible in the negotiations.

Although a formal decision on Heye has not yet been made here, his position has in effect been clarified by the fact that Zores, and therefore also Heye himself, are now acting as private agents of the German-Manchukuo Company which, of course, simultaneously rules out his acting as Reich Commissar. A despatch follows.⁴ You should notify Peking. RITTER

Government the impression that Heye's mission had been terminated and that they were taking soundings as to whether negotiations with official German agencies could begin; Dirksen added he had told Harada that Heye was still empowered to negotiate, and requested early clarification of Heye's status.

³ See document No. 107.

⁴ Under Ang. II of Aug. 29 (8987/E630189-90) Clodius sent a copy of extracts from a memorandum, dated July 27, prepared by the German-Manchukuo Company (8987/E630181-85) which had served as a basis for discussion with the Ministries concerned.

No. 173

6111/E452042-43

The Führer's Deputy, Hess, to Herr Frauenfeld

MUNICH, August 21, 1934.

DEAR PARTY COMRADE FRAUENFELD: I have received your letter of August 17¹ about Austria.

I must once more state quite plainly that, by order of the Führer, the Reich German Party must have nothing at all to do with the National Socialists in Austria. It is likewise strictly forbidden for Austrian leaders in Germany to exert any kind of influence on the NSDAP here. The Führer's order is not merely a formality but is definitely an order which must be obeyed unconditionally. Failure to obey this order will entail severe punishment, which, in cases where the interests of the German Reich are threatened, may even include imprisonment.

It is simply and solely a matter for the National Socialists residing in Austria [to decide] where and in what form they should build up anew a purely Austrian NSDAP.

¹ Not found.

There is, therefore, no question of a trustee being attached to the Reichsleitung, to the Führer or the Führer's Deputy, or to any offices of the NSDAP in Germany to administer the affairs of the Austrian NSDAP.

I would ask you to make sure that all such agencies of Austrians in Germany as may be concerned, and especially all members of the former Landesleitung, be informed accordingly.

You and all other Austrians will believe me when I say that the Führer and his collaborators find it very hard to adopt this harsh attitude, but Germany's vital interests, and therefore indirectly also the interests of the German-speaking peoples and not least of the Austrian NSDAP itself, are at stake. As you know, after November 1923² the Führer took decisions which led to an entirely new and absolutely lawful policy being pursued by the NSDAP in Germany, decisions to which he adhered and which were later to prove justified and to achieve success. Let me assure you that, despite everything, the decisions now taken by the Führer in respect of National Socialism in Austria will one day, and that in a perfectly legal manner, enable all your wishes and ours regarding Austria to be fulfilled.³

With the German greeting,

Yours etc.,

R. HESS

² i.e., after the failure of the attempted *coup d'état* in Munich on Nov. 9, 1923, following which Hitler was arrested and indicted for high treason.

³ The document here printed is a copy received by the Foreign Ministry on Aug. 23 under an unsigned covering note dated Obersalzberg, Aug. 22 (6111/E452941), requesting that it be transmitted to Papen in Vienna. The covering note bears the following marginal notes: (i) "The enclosure provides a valuable *exposé* of the line the Führer is taking over the National Socialist movement in Austria. R[enthe]-F[ink], Aug. 23." (ii) "Copy already given to Tschirschky [Honorary Attaché at the German Legation in Vienna] by the Deputy Director; further copy to the Director. To be filed. H[üffer], Aug. 24." In Papen's absence from Vienna another copy was sent on Aug. 23 to the Chargé d'Affaires, Prince zu Erbach, with the request that the Military Attaché be informed (6111/E452944).

No. 174

6081/E451093-98

State Secretary Bülow to State Secretary Lammers

MOST URGENT

ACTION THIS DAY

BERLIN, August 22, 1934.

zu II Oe. 2224¹ I.

Drafting Officer: Counsellor of Legation Dr Hüffer.

DEAR HERR LAMMERS: In his letter of August 19¹ Herr von Papen communicated to me his report to the Führer and Chancellor, dated August 17, about the impressions he gained in Vienna, and requested

¹ Document No. 167.

the Foreign Ministry to state their views on the proposals set forth therein. The possibility of acceding to the Three Power Pact² was to be examined from the political and economic point of view and a report about it was to be sent to the Führer and Chancellor at Berchtesgaden.

In making his proposals Herr von Papen proceeds from a report from our Embassy in Rome dated August 15,³ according to which Mussolini had decided that international action should be taken in respect of Austria and was at present examining the question of how Austria's independence could most effectively be safeguarded and secured under international law. With regard to the report from our Embassy, it should be noted that it is based on information from a private source whose reliability it has so far not been possible to investigate.

Herr von Papen suggests that we should, by taking preventive action, forestall the move which Italy appears to be contemplating, and which might put us in a difficult and undesirable position in September during the Geneva meeting, and that we should, for our part, frustrate the Italian plans by offering to accede to the Rome Three Power Pact. I would add that the idea of Germany's accession to the Three Power Pact is now also being discussed by the Austrian press in connexion with the Mussolini-Schuschnigg meeting in Florence.⁴

Herr von Papen is certainly right in judging the situation in Vienna to be very difficult. We have therefore once again considered in the Foreign Ministry whether there might be any possibility of influencing developments by taking special action. We came to the conclusion, however, that it would at present be undesirable to initiate international action of any kind.

To begin with, the Rome Three Power Pact, of the text of which I enclose a German translation,⁵ consists of three Protocols, of which the first constitutes a political agreement and the two others economic agreements. Accession to the Three Power Pact could only be effected in agreement with all three Signatory Powers. It is clear that we cannot unilaterally lay down the manner of Germany's accession, but that the Italian Government will take the opportunity of making conditions. Presumably they would, above all, demand that all differences between Germany and Austria be composed, while attempting to have their maximum demands in this question met. This has already been made clear in the Austrian press, which is saying that Austria

² i.e., the Rome Protocols signed by Italy, Austria and Hungary on Mar. 17, 1934; see document No. 10, footnote 8.

³ Document No. 161.

⁴ Schuschnigg had met Mussolini in Florence on Aug. 21. The German Chargé d'Affaires in Italy, Smend, gave an account of the visit in report I 987 of Aug. 23 (8649/E605671-75). For the official communiqué on the visit, see *The Times* of Aug. 22, 1934.

⁵ Not reprinted; see footnote 2 above.

must first cause the German Reich Government to give the necessary practical guarantees and to show respect for her sovereignty and freedom.

It is also extremely doubtful whether Mussolini could, by means of an agreement on accession to the Rome Pact, come, so to speak, to an understanding *à deux* with Germany on the Austrian question, and whether he would not rather consider it essential to include France and the Little Entente. We would of necessity be involved in a large-scale international action which would presumably eventually include the solemn guarantee of Austria's independence and recognition of her neutralization. It is highly probable that Italy, either alone or in conjunction with France, will approach us with a project of this kind. It is, however, not clear what we would stand to gain if we ourselves were to take the initiative. A German offer to Italy regarding the settlement of the Austrian question might have been feasible before Venice⁶ and possibly even before July 25.⁷ but now it would be bound to give the rest of the world the impression of weakness and of a guilty conscience. It would be thought that we intended to prevent the publication, which Austria appears to be contemplating, of the incriminating evidence⁸ and the international consequences which might result. Our position would only be either that we were voluntarily making substantial concessions, about which we might otherwise have been able to bargain, or else we would find that the other side did not consider our concessions to be sufficiently far-reaching.

From the economic point of view, it should further be borne in mind that accession to the first economic Protocol—the second merely consists of a bilateral agreement between Italy and Austria—would have to be followed by abolition of the 1,000 Mark fee.⁹ In my opinion, however, there can at present be no question of abolishing the 1,000 Mark fee. Moreover, it would be necessary completely to reorganize our economic relations with Austria by resuming the interrupted negotiations on preferential treatment,¹⁰ a sphere in which we could in

⁶ See documents Nos. 5, 6, 7, 10, 19, and 26.

⁷ See documents Nos. 115 and 119.

⁸ In despatch e.o. II Oe. 2260 of Aug. 23 (8652/E605789), the Legation in Austria were requested to report on the facts underlying press reports that the Austrian Government intended to publish shortly a Brown Book containing material implicating the Reich in the events of July 25. The Chargé d'Affaires replied in telegram No. 75 of Aug. 24 (3086/617339-40) confirming these reports and adding that the only hope of preventing publication was the speedy announcement of the measures ordered by the Reich Chancellor and showing Germany's *désintéressement vis-à-vis* Austria. This telegram bears the following marginal note: "The Reich Chancellor intends to mention in one of his speeches at Nuremberg the dissolution of the Landesgruppe and dissociation from the Austrian Party. N[eurath], Aug. 27." See also document No. 179. For details of the Brown Book which was published on Oct. 3, see document No. 231, footnote 2.

⁹ At this point the words "which is also rejected by the Führer and Chancellor" have been deleted. For the 1,000 Mark visa fee see document No. 167, footnote 5.

¹⁰ See vol. I of this Series, document No. 187.

fact offer the Austrians considerable advantages, not only from the industrial but also from the agricultural point of view. Concessions of this kind, however, could in my opinion only be considered once our political relations with Austria had been set straight, but in that case it would be better for such concessions to be made without the aid of the Rome Pact or of any other international political agreement.

By appointing Herr von Papen and by officially announcing the object of the mission entrusted to him, the Führer and Chancellor has taken the only public steps possible at the moment. We must now quietly wait for matters to develop and watch for any opportunity for positive action. At present I cannot see such an opportunity. I also consider it desirable for us to wait because it is not at all certain yet that there will not be friction between Italy, France and the Little Entente over the Austrian question.

I should be grateful to you if you would bring these observations to the Führer and Chancellor's notice in accordance with his instructions transmitted to me by Herr von Papen. I enclose a copy for Herr von Papen, to be handed to him in Coblenz, since it cannot, for obvious reasons, be sent to Wallerfangen.¹¹

Heil Hitler!

BÜLOW

¹¹ Under Ang. II of even date Bülow forwarded a copy of the document here printed to Neurath. A marginal note on the original of this covering letter (6081/E451099) reads: "The Chancellor is in agreement with our position. v. N[eurath], Aug. 23."

No. 175

9037/E633279-84

Circular¹ of the Director of the Economic Department

Telegram

BERLIN, August 25, 1934—8:00 p.m.

e.o. W 7152.

For information and language to be held.

1. Schacht, the President of the Reichsbank and acting Reich Minister of Economics, will announce in the speech which he is to make at the Leipzig Fair on Sunday² that the Reich Government have decided to replace the foreign exchange allotment system, in force since June, by a new system. This is intended to put an end to the prevailing conditions under which Germany has imported commodities

¹ Addressees were the Missions in London, San Sebastián, Paris, Rome, Washington, Buenos Aires, Brussels, Berne, Copenhagen, Lisbon, Oslo, Stockholm and Warsaw, and the Consulates General at Pretoria, Sydney and Calcutta. On Aug. 27 the circular was also sent to the Missions in Bagdad, Bangkok, Helsinki, Kabul, Cairo, Kovno and Teheran, the Consulate General in Batavia (9494/E668447), and the Legation at The Hague (M55/M001282).

² At Leipzig on Sunday, Aug. 26, 1934. See also *The Times* of Aug. 27.

on a large scale for which payment in foreign exchange could not be made, so that the resultant foreign claims have so far remained outstanding. For details of the speech I refer you for the moment to the press. The full text will follow as soon as possible.³

2. The arrangements for putting the plan into effect are not yet known in detail. The substance is as follows. In future, all German imports will be regulated and they will be controlled by Supervisory Offices. Within the framework of a general allotment system the Supervisory Offices will issue foreign currency permits to importers before transactions are concluded if, judging by the amount of foreign exchange received, it could be assumed that the foreign currency would be available on the due date. These foreign currency permits ensure priority for foreign exchange allotments. Provided that the foreign exchange received comes up to our expectations, foreign exporters will thus be given a substantial assurance that their claims will be met on the due date. Where transactions are concluded without a prior foreign currency permit, however, the importer cannot count on being considered for an allocation of foreign exchange in the near future.

3. It is assumed under the New Plan that, in view of the decline in German exports and consequently the decline in foreign exchange receipts, the issue of foreign currency permits will be to a large degree restricted to vital foodstuffs as well as to raw materials and semi-manufactured goods. Even here considerable restrictions will have to be imposed. Outside the foreign exchange plan the system of barter transactions will be expanded. As regards essential commodities, barter transactions will be sanctioned provided that they do not require foreign exchange. In the case of non-essential commodities, an effort must be made to obtain foreign exchange through barter transactions too, for example by exporting more goods from Germany than are imported.

4. Treaty arrangements will not be infringed. The import of goods in itself can continue in the same way as hitherto, but the German importer who concludes transactions and imports goods without previously receiving a foreign currency permit will be aware from the outset that he cannot count on an allocation of foreign exchange. Consequently, in future the foreign exporter will also be able to satisfy himself as to whether the German buyer and importer will be supplied with foreign exchange and whether, therefore, he himself can expect payment. Thus any complaints about allotment of foreign exchange and non-payment will in future be deprived of justification.

³ A DNB special release, undated though evidently of Aug. 26 (9494/E668449-52), was sent to the Missions and Consulates General listed in footnote 1 above (except for the Legation at Berne), to the remaining German Missions in America, to the Legation in Dublin and to the Consulate General at Montreal on Aug. 27 (9494/E668448).

Where exchange agreements or clearing arrangements are in force, they will not be affected by the New Plan for the time being, but they must, if necessary, be adjusted to the new situation by negotiation in the sense that the clearing will remain limited to certain goods and quantities. Payments agreements containing the so-called Swedish clause⁴ will be applicable only to such goods as are not subject to special management. As, however, all German imports will be subject to management, the payments agreements will, although without any formal infringement of the law, become unworkable in practice. What will be the effects of this undermining process [*Aushöhlung*] in respect of the various countries concerned remains to be examined.

5. As regards deliveries resultant on transactions concluded before publication of the speech of the President of the Reichsbank or before the New Plan comes into effect, the previous arrangement will obtain. In so far as clearing or payments agreements do not provide otherwise, such transactions will therefore be subject to retrospective allotments.

6. The New Plan will probably come into effect during the second half of September. In conversations you should emphasize particularly that this new arrangement is being made in order, in future, to deprive of their justification complaints from abroad about non-payment for goods supplied. [I leave it to you to inform the Consulates General.]⁵

For London only:

7. You should inform Dublin urgently by cipher letter telegram.

For Washington only:

7. You should inform Montreal, Havana, Mexico and Guatemala urgently by cipher letter telegram.

For Buenos Aires only:

7. In consultation with the Delegation⁶ you should inform Montevideo, Rio de Janeiro, Asunción, Santiago, La Paz, Lima, Bogotá, Caracas, Quito and Panamá urgently by cipher letter telegram. The instructions for the Delegation will not be affected by the New Plan.

RITTER⁷

⁴ This refers to the German-Swedish Protocol on Payments of Sept. 19, 1932 (M61/M001715-17), under which German firms in possession of a general permit to use foreign exchange were allowed to import goods to a greater value than the sum which could be released in foreign currency and to pay the difference into a special account. By a circular of Oct. 24, 1932 (M60/M001709-13), this agreement had been brought to the attention of all German Missions (except that to the Holy See) and career Consulates as a new type of payments agreement which took into account Germany's shortage of foreign exchange.

⁵ The passage in brackets was despatched only to San Sebastián, Rome, Washington and Berne.

⁶ This was the German Trade Delegation, which had been in South America since July 1934; see document No. 30.

⁷ The original draft shows that there were to be additions for the Missions in Paris, Berne, Rome, Brussels, Stockholm, Copenhagen and Oslo. These were, however, sent as separate telegrams on Aug. 26 (9037/E633284-85). Paris was informed in telegram No. 441 that in view of the treaties of July 28, imports from France would not in practice be affected for the time being by the new regulations, but adjustment to the New Plan

No. 176

7265/E533157

Minute by an Official of the Economic Department

BERLIN, August 25, 1934.
e.o. W 7238.

Min[isterial]dir[ektor] Sarnow of the Reich Ministry of Economics informed me, after consultation with Herr Schacht, that he [Schacht] did not intend to approach Mr. Montague Norman about the possibility of the Bank of England making an advance in respect of the arrears due on goods delivered, but that he expected that he [Norman] would himself take the initiative in this.

Moreover Herr Schacht was of the opinion that the British Note¹ on the arrears should be left unanswered altogether.²

BENZLER

¹ See document No. 160.

² Marginal notes: (i) "Herr Min[isterial]dir[ektor] Ritter. I do not think that we can leave the Note unanswered. Despite the courtesy of the British we nevertheless wish to observe certain formalities. D[ieckhoff], Aug. 29." (ii) "H[err] M[inisterial]d[irektor] Dieckhoff. Agreed. I have already sent the attached Note to H[err] Baer yesterday. R[itter], Aug. 29." The Note referred to by Ritter (7265/E533158-60) suggested points to be incorporated in a reply to the British Note. In response to a telephone enquiry from Newton on Aug. 30, Dieckhoff promised that a reply would be sent within two or three days (7265/E533162). See also document No. 185.

would become inevitable during negotiations about an extension to these treaties. Berne and Copenhagen were informed in telegrams Nos. 81 and 49 respectively that in view of the present clearing agreements, imports from Switzerland and Denmark would not in practice be affected for the time being, but the telegram to Berne added that an adjustment to the New Plan would be inevitable during negotiations about an extension of the existing payments agreement. Brussels, Stockholm and Oslo were told in telegrams Nos. 71, 63 and 37 respectively that the Belgian, Swedish and Norwegian negotiators in Berlin would be informed on Aug. 27. Telegram No. 260 to Rome stated that the New Plan would have a considerable effect on imports from Italy unless the negotiations in Berlin led to a clearing agreement with a reasonable foreign exchange ceiling. Warsaw was informed by telegram No. 165 that the present purchasing obligations would not be affected by the new arrangement. The Missions in Rumania, Hungary, Yugoslavia, Greece, Czechoslovakia, Bulgaria, Austria and Turkey were briefly informed of the new system of allocating foreign exchange in telegrams Nos. 65, 86, 85, 36, 77, 48, 89 and 82 of Aug. 25 respectively (9494/E668437-40; 43-46). They were told that the new regulations would have practically no effect on imports from these countries, the Governments of which were to be informed accordingly. The Legation in China and the Embassy in Japan were briefly informed of the new system by telegrams Nos. 67 and 91 of Aug. 25 (9494/E668436; 41) and instructed to stress the security thereby assured for the exporter. The Embassy in Russia was briefly informed of the new system by telegram No. 164 of Aug. 25 (9494/E668442), and also that the special arrangement with Russia would not be affected. If foreign exchange certificates were found to be necessary for imports from Russia, they would be mere formalities. Moreover, Russia's ability to compete in the German market would be increased by the new regulations which would limit imports from other countries. The Russian Government were to be informed accordingly.

No. 177

6895/H101257-59

Memorandum by the Foreign Minister

TOP SECRET

BERLIN, August 27, 1934.

RM 955.

During a conversation which the Reich Chancellor had with the Polish Minister today, the Reich Chancellor told the Minister the following:

(1) The Reich Government had decided to raise the Legation in Warsaw to an Embassy. The date and manner of putting this into effect was to be left to the Reich Foreign Minister.¹

(2) With regard to the Eastern Pact, the German view was that it merely served the purpose of providing rear cover for Russia in her dispute in the Far East. The whole structure was such that it was not acceptable to Germany. (The reasons given by the Reich Chancellor agree with our point of view.) He explained in detail the danger which, in his view, the Russian Empire under Bolshevist dominion constituted for the whole of Europe, especially for Poland and Germany—a danger which, regarded from a purely military aspect, with unlimited possibilities in raw materials and men, increased every year. This danger ought really to result in bringing all the European nations together against the Asiatic colossus. In his opinion, Poland and Germany would be the first to be affected. The regrettable and undeniable differences existing between the two countries as a result of the unreasonable stipulations of the Versailles Treaty were as nothing in the face of the threatened development on the Russian side. Whether and when a conflict between Russia and Japan would ensue, could not be said with certainty. But everything indicated that the time for an armed conflict was no longer far distant. The Reich Chancellor was convinced that the Russians would then be defeated. In that case history would be repeated and Russian political and military pressure be again directed towards the West. There was no reason for either Poland or Germany to serve as shield for Russia. Nor did Germany desire any further guarantor for Locarno.

The Chancellor then asked what was Poland's attitude towards the Eastern Pact proposals, and suggested that if it were negative, then we should cooperate as closely as possible in the matter. The Polish Minister replied that he would, of course, report the Chancellor's state-

¹ In memorandum RM 956 of even date (2945/515942) Neurath recorded that Lipski had agreed to transmit Hitler's proposal concerning the raising of the Legation in Warsaw to an Embassy to the Polish Government. The date was to remain a matter for negotiation. Lipski was of the opinion that the matter should be postponed for the time being. See document No. 187 and footnote 2 thereto.

ments to Warsaw at once. He could, however, already say that the Polish Government's attitude had been negative from the start and still was so. The arguments advanced by the Poles would naturally be different from ours, but the final result, namely rejection, would be the same.

I then suggested that the Polish Minister should communicate the reply of his Government to State Secretary von Bülow as soon as possible.² The meeting with Foreign Minister Beck, suggested by the Chancellor, I declined as being too conspicuous, but left it to the Minister's discretion to inform M. Beck that I would be glad to welcome him at my country house if he would like to have a talk with me on his way through to Geneva on September 4 or 5.³ I further suggested that every outward sign of any cooperation between Poland and ourselves should be avoided, and the strictest silence be observed about our conversations. I also informed the Polish Minister that we intended to inform the participating States of our attitude before Geneva, so that at the discussions which may certainly be expected to take place at Geneva, our point of view, and especially our objections, will already have been submitted. The Minister intended to propose to his Government that they should change their attitude which had hitherto, on the strength of my conversations with Foreign Minister Beck, been merely dilatory, and that they should likewise make their reply known before the Geneva meeting.

FRHR. V. NEURATH

² See also document No. 184.

³ See document No. 194.

No. 178

7810/E566612

Memorandum by the State Secretary

BERLIN, August 27, 1934.

zu II Fr. 2723.¹

Please inform Ambassador Köster, in reply to his despatch² about the compromising of François-Poncet and/or to his telegram³ on the same subject, that the despatch was submitted to the Reich Chancellor. (For his [Köster's] information: there is neither cause nor inclination for an "apology".) The Reich Chancellor is ready at any time to receive the Ambassador and is also prepared for a discussion on the

¹ Document No. 145.

² Document No. 129.

³ Not found; according to the register of telegrams Köster reminded the Foreign Ministry in telegram No. 1090 of Aug. 23 that a reply to his despatch, document No. 129, was outstanding.

matter dealt with in the despatch. The Reich Chancellor has never been under the impression that François-Poncet conspired with the traitors of June 30 (he is much too clever for that). It is a fact, however, that German traitors forgathered with this representative of a foreign Power, clearly intending to put themselves forward to him as the future rulers of Germany. The Reich Chancellor does not believe that they passed on any information as to their treasonable plans. He assumes, however, that matters of domestic policy (and not only old coins) were discussed with the Ambassador. In his statements to the Reichstag, the Reich Chancellor, as is known, did not mention François-Poncet by name and said nothing but what is set forth above.⁴

BÜLOW

⁴ A despatch on these lines was sent to Köster on Aug. 28 (7810/E566613-16).

No. 179

6111/E452946

Memorandum by the State Secretary

[BERLIN], August 27, [1934].

II Oe. 2310.

For Herr v. Renthe-Fink.

In accordance with a suggestion made by the Foreign Minister, the Reich Chancellor is prepared to say something at the Party Rally¹ about dissociation from the Party in Austria, about the Austrian Legion, etc.

On the other hand, he refuses to institute an enquiry into the part played by Munich.²

B[ÜLOW]

¹ The 6th Reich Party Rally was held at Nuremberg Sept. 4-10, 1934, and was given the title of "Triumph of the Will [*Triumph des Willens*]". See also document No. 174, footnote 8.

² A reference to the activities in respect of Austria conducted from the Landesleitung Austria in Munich.

No. 180

6680/H095996-98

Minister Trautmann to State Secretary Bülow

No. 7300/6073/34

PEKING, August 28, 1934.

IV Chi. 1864.

DEAR HERR VON BÜLOW: I should not like to neglect sending for your confidential information a memorandum on a conversation which I had recently with Herr von Seeckt and a note which the Colonel

General afterwards addressed to me. According to these, the introduction of a sort of planned economy in the exchange of goods with China, of which, incidentally, I heard hints some time ago, is being considered.

I do not know where this idea originated. Perhaps it is due to the fact that according to German statistics our trade balance with China shows a large debit balance. In reality, however, if one deducts the main item on the import side, soya beans from Manchukuo, there has been an export surplus since 1931, according to calculations made here from *German* statistics, in 1931 of 65, in 1932 of 32, in 1933 of 36 and in the first quarter of 1934 of 7 million Reichsmark. These figures would not be appreciably altered even after deducting German exports to Manchukuo. I am afraid, therefore, that when the above-mentioned ideas for a planned economy are put into effect the Chinese Nationalist Government will first demand that the trade balance should be adjusted in their favour.

But even from a practical point of view I cannot quite imagine how such plans would work. *We* with the strict organization of our export trade could certainly deliver the goods. The Chinese deliveries in return appear to me to be very problematical. I regard it as out of the question that the Chinese Government could organize deliveries of raw materials in the manner envisaged—they would also have to be responsible for paying the producers. The political structure of China must also be taken into account. The repercussions on the business of our firms exporting raw materials from here to Germany would, it seems to me, be just as objectionable. The idea of cutting out the firms is one which has for a long time haunted the minds of our military advisers. But no one has yet been able to say what should replace our firms with their experience, their knowledge of the market and their business organization.¹

I presume that the Foreign Ministry has not yet dealt with the plans outlined by Herr von Seeckt. Please do not give these lines to Herr Ritter. I would like to have instructions. Klein, about whom you can probably obtain information in the Far Eastern Department, gives me a feeling of uneasiness and mystery. It is to be hoped that this will not develop into a second Heye case. I am always afraid when military hands interfere in the delicate mechanism of trade.

I shall report if I hear more.

For the time being, best wishes,

Yours,

TRAUTMANN

¹ Marginal note against this paragraph: "It may be advisable to notify the [word illegible] in Hamburg. v. N[eurath], Sept. 12." In a note dated Sept. 25 (6680/H096004) Kühlborn, of Department IV, noted that no action was to be taken until after Klein's arrival in Berlin.

6680/H096001-03

[Enclosure 1]

PEITAIHO, August 19, 1934.

MEMORANDUM

Colonel General von Seeckt gave me the following information today:

For some time in top-ranking National Socialist circles in Germany plans have been in the making,² which also have the approval of Dr. Schacht, to relieve the raw material shortage in Germany by concluding an agreement with the Chinese Government on the following lines:

China would deliver to Germany the raw materials which she needs; she would not, however, be paid in cash for these raw materials, but the German Government would open an account for the Chinese Government in Germany, and the Chinese Government could draw on this account to order goods (industrial deliveries) in Germany. Herr Klein had been sent to China on behalf of the German authorities concerned³ in order to negotiate with the Chinese authorities about these plans.⁴ He himself [von Seeckt] had introduced Herr Klein to Marshal Chiang Kai-shek and it was during the last few days that final discussions on the project had been taking place. The Marshal had already given his approval and other Chinese Government authorities who had been asked about it by the Marshal were in agreement with the project. He had tried to make it clear to the Marshal that negotiations would also have to be conducted with Canton.

I then asked Herr von Seeckt whether the Foreign Ministry in Berlin had been informed of the plan, and he said that he did not know. I replied that I had already heard something of such plans through Consul General Kriebel at Shanghai who had spoken to Herr Junker⁵ about similar plans. I could not obtain any clear idea about the plans. We had a surplus trade balance with China and, if we introduced the principle of barter, the Chinese would probably demand that we should buy from China goods to the value of those which we supplied to China. Herr von Seeckt did not appear to have acquainted himself in detail with the nature of our foreign trade with China. He said that in Germany the question of the supply of raw materials was the focal point of our policy, that we needed 2,000 million Marks worth of raw

² Marginal note in Neurath's handwriting against this phrase: "Who? Daitz for instance?" (For Daitz see document No. 22, footnote 6.)

³ Marginal notes: (i) In Neurath's handwriting against this phrase: "Who are these?" (ii) "As far as I know, the Reichswehr Ministry. R[jitter]."

⁴ There have been found in the Foreign Ministry files the following contracts which Klein had already concluded with the Kwangtung Provincial Government at Canton: (1) Dated July 20, 1934, for the exchange of Chinese raw materials etc. for German industrial products etc. (6680/H096098-104). (2) Dated July 21, 1934, for the construction of railways (6680/H096111-17). (3) Dated July 21, 1934, for the construction of a shipyard (6680/H096124-30).

⁵ Dr. W. Junker, of the German Legation in China.

materials and that we did not know where we could obtain them. There was in China a possible way out of our situation. I asked him which raw materials were concerned, whereupon he said that we could obtain our high quality ores from China, also oil fruits and similar goods.

Marshal Chiang Kai-shek had often told him that he would be very glad to purchase more from Germany, but he did not want to have anything to do with private firms. The Governments on each side could therefore be brought in and in this way the wishes of the Chinese could be met. I replied that the German firms in China were the basis of our commercial activities there. At this Herr von Seeckt thought that the firms could perhaps be indirectly brought in again. I told Herr von Seeckt I regretted that I had only now heard about these plans which would indeed have to be carefully considered. He said that if he were in my place he would not do anything more for the time being, and I should then probably hear further particulars from Berlin. Herr Klein is now travelling back to Berlin in order to report to the German authorities on the matter.

I then dropped this subject and turned to other matters.

TRAUTMANN

6680/H095999

[Enclosure 2]

Copy NANKING, August 20, 1934.

MY DEAR MINISTER: A memorandum on the project discussed does not exist. Herr Klein was instructed by me orally on the negotiations to be conducted and he was to have come here to report when they were concluded. This is not possible now as the negotiations have been protracted longer than was expected owing to the Marshal being otherwise engaged in Kuling and to his journey to Fukien, and Klein must now go to Canton immediately and then to Germany. I am expecting a written report from him in the next few days about the conclusion of the negotiations,⁶ the contents of which I shall not fail to communicate to you.

I am, Your Excellency, with the highest respect,
Yours,

V. SEECKT

⁶ On Aug. 23, 1934, Klein concluded a contract with the Nanking Government for the exchange of Chinese raw materials etc. for German industrial products etc. (6680/H096105-10).

No. 181

9387/E664842-44

The Foreign Ministry to the Embassy in the Soviet Union

BERLIN, August 29, 1934.

e.o. W IV Ru. 4611.

On the 18th of this month the Soviet Trade Delegate here, M. Weizer, was received by State Secretary Posse for a discussion on the 200 million [Mark] credit.¹ M. Weizer made concessions on a number of points still at issue but stood firmly by his demand for a credit duration of five-and-a-half years. State Secretary Posse² on the other hand proposed four-and-a-half years, hinting that a period of five years was the very most that would be possible. M. Weizer reserved his attitude. He left for Moscow on the 19th to pursue the matter further there. It is doubtful whether M. Weizer will return to Berlin.

The only remaining differences of opinion over the 200 million credit are concerned with the safeguarding of current trading and the duration of the credit. As the 200 million credit is regarded as a supplementary transaction, it is the German wish that a clause be included in the protocol binding the Russians to maintaining a reasonable level of current trading.² Now that the Ministry of Economics, which has hitherto insisted on a credit duration of four years, is willing to compromise on the extension of this period, the Soviet Government ought to be prepared for a concession with regard to this clause. Our conciliatory attitude is all the more noteworthy because in the other gold markets reserve is still being maintained towards the Soviet Union.

On the 25th of this month the Deputy Head of the Soviet Trade Delegation here, M. Friedrichson, was received in the Ministry of Economics³ and asked whether the Soviet Government had yet defined their attitude to State Secretary Posse's proposal. M. Friedrichson replied that he had not yet had any information from Moscow. M. Weizer, who wanted to pursue the matter further in Moscow, had been taken ill again there. M. Friedrichson was informed that, in view of

¹ Details of this conversation between State Secretary Posse of the Reich Ministry of Economics and M. Weizer are recorded in a memorandum by Bräutigam dated Aug. 20. These credit negotiations, initially conducted by Ministerialdirektor Heintze of the Ministry of Economics, had begun in May 1934; see vol. II of this Series, unsigned memorandum of May 31, 1934.

² According to the memorandum cited in footnote 1 above, State Secretary Posse had told M. Weizer he would be prepared to recommend to Schacht, the President of the Reichsbank, that the duration of the credit should be five years, provided that the Soviets were prepared to give satisfactory assurances about the current trading. It would be considered satisfactory if the Soviet negotiators were to state that for 1954, over and above the additional transaction, they would endeavour to arrange for current trading to the amount of 50 million RM.

³ By Ministerialrat Mossdorf; Bräutigam, who was also present, recorded this conversation in a memorandum of Aug. 27 (9375/E664011-13).

the extraordinarily conciliatory attitude shown by the Ministry of Economics in the matter of the duration of the credit, an early and favourable reaction was expected from the Soviet Government. M. Friedrichson replied that, according to his information, the Soviet Government had not yet departed from their decision only to conclude the negotiations subject to a credit of five-and-a-half years' duration.

From here it does not seem desirable to press the Soviet Government for an early decision. There would, however, be no objection to a reminder from your end to the Foreign Commissariat that an early completion of the negotiations, which have already been so long drawn out, is in the interests of both parties.

By order:
HEY

No. 182

8930/E626064-68

Memorandum by a Deputy Director of Department IV

Drafting officer: Secretary of
Legation Count Strachwitz.

BERLIN, August 29, 1934.
e.o. IV Jap. 1020.

THE EFFECTS OF GERMAN RACIAL POLICY IN RESPECT OF JAPAN

The difficulties in foreign policy resulting from the Aryan legislation have long been particularly noticeable in Japan. The familiar memorandum¹ by the Prussian Minister of Justice² on the reform of criminal law have greatly perturbed Japanese public opinion. According to reports from our Embassy at the time the Japanese press said that the proposed ban on a marriage with a "coloured person" was an insult to Japan. A few small incidents which occurred and in which Japanese were molested in the streets and in inns have served to increase still further the resentment of the Japanese, who are extremely sensitive over racial questions. At that time the Japanese press adopted an extremely hostile attitude to National Socialist Germany and was only too ready to open its columns to international agitation against Germany. Last year the Japanese Ambassador here called several times on the Foreign Minister in this matter and pointed out very emphatically that any discriminatory treatment of Japanese nationals would have strong repercussions on German-Japanese relations. The Foreign Ministry has been at pains to deal promptly with all disturbing developments. We emphasized to the representatives of Japan that no discrimination against, let alone disparagement of, alien races in Germany

¹ This memorandum to the Reich Government, which was published on Sept. 29, 1933, contained proposals aimed at the "protection of the community and the prevention of the splitting up of the German race", and the punishment of "race treason"

² At that time Hanns Kerrl.

was intended. National Socialist Germany was not proceeding on the assumption of the unequal quality [*Verschiedenwertigkeit*] but only of the heterogeneity [*Verschiedenartigkeit*] of the races, and was merely opposed to the mixture of races, which indeed the Japanese themselves had always opposed. On December 5, 1933, the Reich Minister of the Interior, Dr. Frick, made an official statement to a representative of DNB³ which had been drawn up at a conference of the Ministries concerned and which was based on the principles outlined above. By reason of this repeated declaration, Japanese public opinion has meanwhile been somewhat soothed; the Japanese press has not raised the question during recent months. But this should not be allowed to disguise the fact that the racial problem may at any moment flare up again there and could seriously damage our political and economic relations with Japan. It is known that the coloured peoples are extraordinarily sensitive in matters of race. Having been made suspicious by the term "coloured people"⁴ as used by the Anglo-Saxons, they are inclined to see disparagement in any mention of their racial differentiation from the white peoples, and, naturally, Japan in particular, who is the leading Great Power in the Far East in modern times, rightly resists this. There is also the fact that quite a number of leading Japanese politicians and scientists are married to German wives. It is self-evident that such circles are observing German measures of racial policy with particular distrust.

There is no lack of material to feed this mistrust. Cases repeatedly come to the knowledge of the Foreign Ministry where, in particular, persons of mixed German-Japanese parentage or Germans married to Japanese have met with discriminatory treatment by official or Party authorities. Doctors have been forbidden panel practice (Domnik case), students have encountered difficulties in entering universities (University of Leipzig case), officials have been dismissed from the public service (Urhan case), private persons have been refused entry into National Socialist organizations (Hatzfeldt case). Such measures, even when they accord with existing regulations, not only mean undeserved hardship for those affected but also constitute an ever-present threat to our friendly relations with Japan, which, at a time when we have otherwise few friends in the world, warrant special cultivation. The peculiar logic of the Far East is such that the Japanese, although himself opposed to miscegenation, nevertheless regards discriminatory treatment of persons of Japanese blood in other countries as an insult to his race.

This leads one to wonder whether it would not now appear desirable to have a decision as to what races should be affected by the restrictions

³ See vol. II of this Series, memorandum of Dec. 12, 1933, by an official of Department V, and footnote thereto.

⁴ In English in the original.

of the Aryan legislation. This legislation is after all in fact only aimed at the Jews and at members of the primitive races (Negroes, Polynesians, etc.) but not against peoples of a high racial and cultural standard such as the Japanese and Chinese, who, moreover, in the view of many scholars, are, since they belong to the Turanian group of races, closely related to the Germanic peoples. Until the concept "Aryan" has been defined in principle, the department responsible for Japan proposes the following measures:

1. The official and Party authorities concerned to be directed to avoid as far as possible discriminatory treatment of persons of Japanese, Chinese or similar high grade blood in so far as their mixed blood dates from before the promulgation of the Aryan legislation. Any special cases which may arise to be treated with the greatest consideration, and with a view to the requirements of foreign policy. If necessary, the Foreign Ministry to be consulted before a decision is taken.

2. Public opinion (in Germany as abroad) to be repeatedly informed that National Socialism, precisely because it desires to preserve the German race, also respects foreign races with their peculiar characteristics and national pride, and that all excesses against foreign races are clearly unethical and punishable.

3. The German press to be directed to avoid the use of the ominous terms "yellow races" or "coloured races" and to exercise the greatest caution in discussing racial questions. In particular, the press to refrain from linking up the problem of "coloured peoples" with the German Aryan legislation.

Submitted to Referat Deutschland as material for the proposed interdepartmental conference on racial questions.⁵

E[RDMANNSDORFF]

⁵ See document No. 331.

No. 183

6115/E454893-94

Memorandum by an Official of Department II

CONFIDENTIAL

BERLIN, August 29, 1934.

II Oe. 2330.

The SA Chief of Staff's Special Commissioner for Austria, Oberführer Löwe—a nephew of Herr L[öwe], the German Consul at Tarragona—called on me today and told me in confidence that the Führer had instructed him at the end of last week at Obersalzberg to start the necessary negotiations with the Reich Ministry of the Interior for the transfer of the Austrian Legion and the naturalization of its members. There was no intention of disbanding the "Austrian Legion",¹ but

¹ See documents Nos. 134, 135, 141, 149, 165 and 167.

rather of moving it to Northern Germany in comparatively small units of 5-600 men and of putting it in a form of Labour Service Camps as camouflage. Austrian refugees who so desired and who were reliable (approximately 3-4,000) were to be given German Reich nationality. Of the rest, the unreliable ones (whom he estimated at approximately 20 per cent of the total strength) were to be let go. Austrian refugees who were still of Austrian nationality were not to be naturalized in Germany.

Herr Löwe went on to say in this connexion that there was no intention of disbanding Obergruppe XI (Reschny),² which now called itself SA-Group Austria.

Finally Herr Löwe said that, at the Führer's request, he had handed over to him all documents concerning the negotiations between Prince Starhemberg and Obergruppe XI, which had taken place as recently as last June.³ The Führer was also in possession of all documents concerning the negotiations going on concurrently between Minister Fey and the Landesleitung Austria⁴ and reserved the right to publish these documents at such time as he should deem appropriate.

Respectfully submitted herewith to the State Secretary through the Deputy Director, to be returned to us.⁵

HÜFFER

² See document No. 166.

³ No documents about such negotiations have been found. See Franz Winkler: *Die Diktatur in Österreich* (Zürich, 1935), p. 141.

⁴ See document No. 112.

⁵ Marginal note: "St[ate] S[ecretary]. If it is true that the Obergruppe XI is to be kept intact—and that under the name of SA-Group Austria—this will not, of course, remain a secret and will, I fear, furnish a welcome opportunity for other countries to cast doubts on the integrity of our Austrian policy. R[enthe-]F[ink], Aug. 31."

No. 184

6695/H101260-61

Memorandum by the State Secretary

BERLIN, August 30, 1934.

The Polish Minister called on me this evening to give me his Government's reply to the question put to him last Monday by the Führer and Chancellor about the Polish attitude to the Eastern Pact.¹ The Minister stated, on instructions from Foreign Minister Beck, that in the Polish view the Eastern Pact project was not at all clear and required further explanation. The Polish Government considered the German-Polish Agreement of January 26, 1934,² to be the pivot of German-Polish relations. They could not admit of any agreements

¹ See document No. 177.

² For the text see vol. II of this Series.

which might at all diminish the protocol of January 26 and they also required other Governments to respect this point of view. The Polish Government, at any rate, would not enter into any agreements which might be detrimental to the German-Polish Protocol of January 26.

The Minister added that he personally had the impression that Minister Beck wished to avoid adopting a definite attitude towards the Eastern Pact in the immediate future, in the hope that the situation would not only clear but would also "ease".

I thanked the Minister for this information and told him that as he had emphasized the obscurity of the Eastern Pact project and its scope, I would not ask him whether the Polish Government took the view that the Eastern Pact, in the form proposed, would be detrimental to German-Polish relations.

The Minister evaded this question in spite of the way in which it had been put and merely said that his Government considered bilateral agreements more useful and to the purpose. When I observed that the Eastern Pact contained unforeseeable and therefore possibly dangerous obligations, he immediately took this up as one reason why his Government preferred bilateral agreements.

BÜLOW

No. 185

7265/E533174

Minute by an Official of the Economic Department

BERLIN, August 30, 1934.

W 7397.

1. Herr Sarnow spoke to me again today about the fact that Herr Schacht, as before, still insisted that no reply be made to the British Note concerning the payments outstanding on supplies of goods.¹ He considered that he had replied in his speech at the Leipzig Fair.² To my objection that we could not avoid a reply if the British Government were constantly and insistently reverting to it, Herr Sarnow asked us in that case at all events to get in touch with Herr Schacht before sending the reply.³

¹ See documents Nos. 160 and 176.

² See document No. 175 and footnote 2 thereto.

³ See document No. 176, footnote 2. In a memorandum of Aug. 31 (7265/E533163) Dieckhoff stated that he had been unaware of Schacht's attitude when he had promised a reply within two or three days. He still thought that an answer, even if only a formal one, should be made. The Reich Ministry of Economics was informed of this view by letter of Sept. 1 (7265/E533175-76) to which a draft note of reply (7265/E533177-86) was appended. Further enquiries about a reply were made by the British Embassy on Sept. 3 and 4 (7265/E533164-65; 90). In their reply of Sept. 4, 1934 (M53/M001264-71) the German Government disclaimed responsibility for the existence of the arrears, and stated that the proposed new system of quotas would prevent similar occurrences in future. As regards the existing arrears, the German Government departments concerned had been and would be prepared as far as possible to make available the necessary means of payment. No time limit for the completion of the payment of the arrears

2. Herr Sarnow further informed me that Herr Schacht requested us now to give notice of termination of the Anglo-German Exchange Agreement.⁴

Herewith to: Ministerialdirektor Ritter
Counsellor Baer
Department III E[ngland].

BENZLER

No. 186

5609/E402131-37

The Chargé d'Affaires in Austria to the Foreign Ministry

A 2461

VIENNA, August 30, 1934.

Received August 31.

II M 1289.

I am sending you herewith report No. Geh. 307 by the Military Attaché for transmission to the Reichswehr Ministry.

VIKTOR PRINZ ERBACH

[Enclosure]

No. Geh. 307

VIENNA, August 30, 1934.

REPORT NO. 21/34—AUSTRIA

1) The abortive *Putsch* of July 25¹ has closed a chapter in the "German" struggle for Austria. After the assumption of power by the National Socialists in the Reich, the National Socialist Party in Austria became the only authoritative exponent of the German idea in that country. In pursuit of the principle of totalitarianism it had grasped the leadership in the struggle; all the other national forces in the country were at most tolerated as hangers-on.

The Party, united with the great Party in the Reich not only in thought and in name but also structurally, had believed it could carry on the fight as a purely domestic affair. Precisely, however, because of this very link with the great Party in the Reich, the latter was from the beginning drawn into the struggle, the more so in that it had for months been directed from Reich territory and morally and materially encouraged by the Landesleitung which had fled to Munich. The affair had thus developed into one affecting the foreign policy of the

¹ See documents Nos. 115 and 119.

could, however, be fixed. Moreover, negotiations and agreements between the merchants concerned was the usual method of settling obligations of a private nature; German official agencies would, however, make any necessary decisions with the aim of settling the outstanding amounts as quickly as possible.

⁴ See document No. 155, footnote 1.

Reich. Moreover, the fact that Austria's relations with the Reich are a matter of significance for Europe had not been appreciated or had even been consciously ignored. The Party thus deliberately prevented official quarters concerned with the direction of German foreign policy from giving assistance and guidance in Austrian affairs. In consequence these quarters had to confine themselves to exerting a cautionary and restraining influence.

The Party's struggle for Austria, while provoking ever sharper counter-measures on the part of the Government, led from constitutional to unconstitutional methods, from propaganda to terrorism, and ended, inevitably, in an attempt at a forcible *Putsch* and in incitement to open revolt.

As everyone possessing any insight had predicted, the outcome of this policy was a complete *débâcle*, and, at the same time, a defeat for the Reich, embroiled as it was in party politics. A political situation abroad fraught with extreme danger was suddenly revealed to the startled world.

Yet, only a few weeks back, there were signs of a possibility of solving the Austrian question by adopting evolutionary methods. The Reich had engaged in conversations on this question with Italy,² without whose participation, as matters stood, nothing more could now be done. Whatever the outcome, it must be awaited with calm and patience. In no circumstances were matters likely to develop quickly. Moreover, the events of June 30 in Germany³ had caused a set-back which had first to be overcome. The effects of this event on Germany's foreign relations have been widely under-estimated. The meeting between Mussolini and Dollfuss which had been about to take place in Riccione⁴ might have given some indication of what, if anything, was to have been expected in future from cooperation with Italy.

However, the Party did not want to wait, since it could not but expect an unsatisfactory outcome for itself from such negotiations. Moreover, it was no longer in a position to wait, since the momentum of its action could no longer be reconciled with the slower political developments. Thus the Party, i.e., its present leaders—the Landesleitung in Munich—bears full and sole responsibility for the present situation. It has furnished proof of its political ineptitude.

2) *Austria's relationship with the Reich* is, however, a fateful question for Germany. In the light of past experience it must once and for all be removed from the sphere of the Party and raised into that of high policy. In this respect the Party must be satisfied with the modest rôle of servant.

Austria's significance in relation to greater Germany is in the first

² See documents Nos. 5, 6, 7, 19, 26, 56, 62, 89 and 100.

³ See Editors' Note, p. 117, and document No. 55.

⁴ This meeting had been planned for the end of July.

place defensive, situated as she is on the periphery of the Reich proper, and forming a south-eastern borderland. She thus blocks the way to any Italian advance across the mountain frontier, and forms a bastion against Silesia, forcing Czechoslovakia into Germany's sphere of influence. From the offensive point of view, however, Austria is the spring-board for the south-eastern area of Europe, which offers the last remaining opportunities for development, the more so if collaboration between Poland and Lithuania should in future crystallize the situation to the north-east of the Reich.

Should Austria in the long run be separated from the Reich, then the latter would be encircled, Italy would press on her southern frontier, Hungary would be completely driven into the Italian camp, and the Balkan States would lose their political importance for the Reich and the Reich for them.

An Austria lost to Germany's cause would, however, become a direct threat to the Reich's internal policy, for she would constitute a breeding-ground for all the destructive forces desiring to undermine from thence the structure of the National Socialist State. Once before in German history, in the Counter-Reformation, it was here, in Austria, that the forces were deployed which frustrated the emergence of a "German" ideology and which perpetuated religious dissension as a source of political disunity amongst the German people. The same forces are once more at work here today.

3) The *struggle for a "German" Austria* must therefore continue but at a different level and by different means from those employed hitherto.

Much ground has been lost. What matters now is, first of all, to regain a foothold in Austrian affairs in order to stem foreign influences and by slow and hard work to recover lost ground. All the same, to do so without Italy, or even in opposition to her, will be even harder today than before.

Once having discovered a clear line of action, the line must be maintained, undeflected by emotional factors. Considerations of prestige must play no part, when so much prestige has already been lost. Anything that might upset the new policy must be ruthlessly suppressed.

In no other way will it be possible in the present circumstances to support the national movement in Austria. Its preservation is, however, a precondition for the future outcome of the struggle. In the first instance, at all events, we will have to rely on its own strength as well as on the propaganda appeal of the national upsurge of the Movement in the Reich itself.

4) The difficulties of entering into normal relations with the Austrian Government are great. To begin with, strong internal and external forces on the Austrian side are endeavouring to make such relations

altogether impossible. Even if the Federal Chancellor personally should desire a reconciliation with the national sections of the population, and thus with the Reich, and there is some evidence for this, he must overcome very strong resistance within the Government camp itself, and he is bound by international ties which can only gradually be loosened. He should, therefore, be given enough time, and from the outset we should not ask too much, or indeed, as things are, the impossible, of him.

Moreover, there is a tremendous amount of mistrust on the other side, born of the present attitude of the Reich to Austrian affairs, still to be overcome. That the Reich sincerely intends to alter its methods with regard to Austria is simply not credited there as yet. The rumours that the Landesleitung in Munich and the Austrian Legion—in disguise—continue to exist are not dying down and are being taken seriously. The Reich Government's failure to make an authoritative statement on this matter is noted. Added to this are fresh and alarming reports concerning the formation of an Austrian Legion in Yugoslavia under Reich German leadership⁵—the notorious Herr von Kothén⁶ who did so much mischief in Carinthia is supposed to have a hand in it—with reinforcements of Austrian Legionaries from Germany. Whether true or not, these things are at least being regarded as possible in the light of past experience.

I understand from a reliable informant, who had an opportunity of seeing the material, that ample evidence incriminating the Party authorities in Munich exists for use in the forthcoming Brown Book on the *Putsch* of July 25 and the events preceding it.⁷ The question as to whether evidence affecting the Reich directly is to be included, is said to be still under consideration and is to be made dependent on whether Herr von Papen's mission has any tangible results. What, in this respect, will be expected of the Reich, can only emerge from consultations, which would also afford an opportunity of clearly stating Germany's views, i.e., of doing away with any possible idea that the Reich could continue to have any interest whatsoever in an Austria where those sections of the population sympathetic to Germany

⁵ In report A 2457 from Vienna of Aug. 29, 1934 (8650/E605739-40), Prince Erbach stated that the *Reichspost* (the chief Catholic newspaper in Austria) of the same day had published an article concerning the formation of an "Austrian Legion" on Yugoslav territory. Rumours were current that von Kothén [see footnote 6 below] was active in Yugoslavia. In memorandum zu II Oe. 2364 of Sept. 3 (8650/E605744), Hüffer recorded a discussion on the subject with Brigadeführer Rodenbücher who described the rumours as absolutely false, but promised to investigate the matter.

⁶ Von Kothén, a Reich German, was Gauleiter of Carinthia. After being expelled from Austria, he organized propaganda activities against the Austrian Government from Italy. His activities led to the arrest by the Italian authorities in February 1934 of the Ortsgruppenleiter of Trieste, Berger. As a result Hess ordered Kothén's recall from Italy and his suspension from all duties. (Relevant material has been filmed on Serials 8673 and 8947.)

⁷ See document No. 174, footnote 8.

were crushed, and where independence consisted of vassalage to Powers hostile to Germany.

If the Austrian problem is given the importance which I firmly believe it deserves, then the time has come to abandon our passivity and cautiously to go over to an active policy.⁸

MUFF

⁸ The document here printed was circulated in the Foreign Ministry under a covering note of Sept. 6, 1934 (8940/E627663). It bears the marginal note: "This is a purely political report. Though the Military Attaché's analysis is both interesting and correct, it certainly does not fall within his competence. Why does General M[uff] expatiate so much on political questions? Köpke, Sept. 15."

No. 187

7562/E542166-67

Foreign Minister Neurath to the Führer and Chancellor

LEINFELDEN, August 31, 1934.

Rk. 8414.

DEAR REICH CHANCELLOR: The Polish Minister called on State Secretary von Bülow yesterday to communicate to him in the name of his Government the reply to the two questions which you put to him on Monday.¹ The State Secretary has drawn up the two enclosed memoranda on the information given him by the Minister.²

No comment is needed on the reply of the Polish Government regarding raising the two Legations to Embassies.

The reply regarding the attitude of the Polish Government to the Eastern Pact is rather evasive. At any rate it is evident that Warsaw does not wish to take the first step, but would rather wait until we have defined our attitude. As I told you recently I am of the opinion that we cannot very well delay this any longer as we must expect a discussion of the Eastern Pact in Geneva. I am now, therefore, having the memorandum³ which was sent you last week gone through again in collaboration with the Reichswehr Ministry and I intend to send it early next week to the Embassy in London for communication to the British Government, from whom, after all, we received the draft of the Eastern Pact.⁴

With the German greeting,

Yours,

NEURATH⁵

¹ i.e., on Aug. 27; see document No. 177.

² Not printed (7562/E542168 and E542169-70). In the first memorandum Bülow recorded that Lipski had stated that the Polish Government and public opinion would welcome the raising of the Legations to Embassies, but certain formalities would first have to be gone through on the Polish side. Lipski further stated that Beck thought October would be a suitable date and had requested that meanwhile the matter should be kept strictly secret. The second memorandum is identical with document No. 184. See also document No. 256.

³ See document No. 164; see also document No. 162 and footnote 1 thereto.

⁴ See document No. 85, enclosures 1 and 2.

⁵ The letter here printed was sent to Lammers under a covering note (7562/E542164)

No. 188

6695/H101282-84

State Secretary Bülow to Foreign Minister Neurath

BERLIN, August 31, 1934.

DEAR HERR VON NEURATH: I send you herewith the Eastern Pact memorandum in its new form.¹ You will see that it has been shortened wherever possible. Do not let the number of pages conceal from you the fact that the contents have lost very much in bulk on account of the broad margin. In spite of this I believe that it contains all the essentials. I would consider further deletions inadvisable.

In order to bring the memorandum into line with your conversations with the Führer and Chancellor (and with Herr von Blomberg),² important points in it have been given a different aspect. This applies primarily to the first part, which deals with the armaments question. Adherence to our attitude of April 16³ has been wholly cut out. Moreover this passage has now been so worded as to make it quite plain that we are no longer prepared to discuss the question of whether we have equal rights or not. We have also cut down very considerably the old conclusion, in which we ourselves made certain suggestions, so that it is now simply a final flourish. The danger that it might cause us to be invited to negotiate no longer exists. On the other hand information which we have since received has made it necessary, here and there, to insert further argument regarding the rejection of the *assistance actuelle* [*sic*]. The memorandum has thus been brought up to date and will exactly fit in with the negotiations with France and other States. Naturally it has now, taken as a whole, become entirely negative, which is in accordance with your conversations at Berchtesgaden.

Naturally the accompanying instructions which the Missions must follow in making their *démarches* are very important. [For technical reasons I cannot send you this until tomorrow. In these accompanying instructions we shall explain the reasons why we have chosen this time to reply (so long after the British proposals).⁴ We shall then precisely define our point of view on the equality of rights question, namely that negotiations on equality of rights are out of the question

¹ Not found.

² See document No. 164, footnote 4. No record of these conversations has been found.

³ See document No. 4, footnote 8.

⁴ See document No. 85 and enclosures 1 and 2 thereto.

requesting its immediate submission to Hitler. Lammers initialled it on Sept. 1. A telegram, dated Sept. 4, from Lammers to Neurath (7562/E542171) reads: "The Führer was only informed of your letter of August 31 today. The Führer requests submission of the memorandum before despatch." See also document No. 191.

for us. We shall further clearly state our intentions regarding possible publication.]⁵

In accordance with your instructions⁶ I am simultaneously sending a copy of the new memorandum to the Reichswehr Minister and am placing myself at his disposal for discussions. This morning, however, we have already had a long conversation with General Schönheinz, which, as regards subjects discussed, was thoroughly satisfactory.⁷

In view of the results of our contacts with the Poles the matter has now become more urgent. Without so far having any definite evidence to this effect, we are definitely assuming that our contacts will become known as also our views. Unless reasons are given for it, our negative attitude may perhaps do a good deal of damage. We must, therefore, try to communicate the memorandum in the four capitals with the greatest possible despatch; it is in any case very urgent, as the Foreign Ministers will be leaving for Geneva in the middle of next week. Less urgency attaches to informing the other interested States, but we shall try if possible to do so at the same time.

I hope that the memorandum and the accompanying instructions will meet with your approval, and remain

With best wishes,

BÜLOW

⁵ The passage in square brackets was subsequently struck out and the following sentence substituted: "The draft of the accompanying instructions was after all finished after [*sic* ? before] posting time; I am enclosing it." See document No. 190.

⁶ No record has been found.

⁷ No record of this conversation has been found.

No. 189

9453/E666930-33

*Circular of the State Secretary*¹

Telegram

BERLIN, September 3, 1934—6:50 p.m.

7:40 p.m.²

Vbd. 1558.

The question of Russia's admission to the League of Nations³ must be examined more critically than hitherto in order to expose the underlying political reasons and to analyse the French and Russian plans.

You should put forward the following views in conversations:

If Russia joined the League, this would be an event of world-wide political significance and would mean a fundamental change not only

¹ Addressees were the Missions in Great Britain, France, Italy, the United States, Switzerland, Hungary, the Netherlands, Denmark, Sweden, Eire and the Argentine, the Consulate General at Montreal and the Consulate at Geneva.

² Despatched at these two times.

³ See document No. 71.

in her own policy but also in that of the leading States of the League of Nations. By accepting the Covenant Russia would acknowledge principles and assume obligations which she has so far described as irreconcilable with her own structure and principles. According to the preamble, all secret diplomacy must be abandoned and all treaty obligations recognized; this would, for example, also include Czarist debts. According to Article 10, the territorial status of all members is guaranteed; according to Articles 12 to 14 the principle of arbitration procedure, the impartiality of which towards Bolshevik Russia has so far always been disputed, must be recognized; according to Article 15 disputes must be settled by the Council, which is composed of capitalist States; Article 22 provides for cooperation in governing colonial mandates; Article 23, for supervision by the League of Nations and the International Labour Office, of which Russia would automatically become a member, of working conditions, and for direction of policy in respect of natives. Then there is also the obligatory protection of minorities, which was delegated to the League of Nations by the peace treaties, and the general extension of which is at this very moment being requested by Poland.⁴ Moreover, many States on joining the League have been called upon to assume obligations relating to the protection of minorities.

Russia has so far always feared that the League of Nations might favour the creation of an anti-Soviet front, and she made it a condition that the League should be reformed from top to bottom if she were ever even to consider joining. Russia's surprising volte-face can only be explained by her having realized that the League of Nations now serves as camouflage for blocs pursuing power politics, and by her desire to use such blocs as a safeguard against the threat from Eastern Asia. What Russia desires of the League of Nations is, therefore, precisely that which caused Germany to leave it. Japan's example has shown how small the dangers of submitting to the Covenant of the League of Nations can be.

As regards the attitude of leading members of the League, the extent of the volte-face which they too have made can best be seen from the fact that, when Germany joined the League, France at first felt her correct relations with Russia to be a considerable obstacle. Now it is France who is sponsoring Russia in the League and who is seeking to pave the way for her admission by all diplomatic means. The significant thing in this about-turn is that it is precisely Russia's political estrangement from Germany which makes France consider her suitable for admission to the League. Even Britain, in accordance with her Eastern Pact policy (Simon's speech on July 13)⁵ has voted for Russia's acceptance and has heartily welcomed her. Italy, in

⁴ See document No. 8 and footnote 1 thereto.

⁵ See document No. 87, footnote 2.

pursuance of her realistic policy, has sided with the other Great Powers of the League.

Already some time ago⁶ Germany was hoping Russia would join the League because she saw in this a way of getting Russia to take part in the work for true international peace. Russia's admission now depends on entirely different ideas in power politics and is therefore only in appearance a continuation of Germany's policy. We are therefore quite disinterested in the matter of Russia's joining the League.

Despite the unanimity amongst the Great Powers, it seems that some of the small States may be expected to raise objections, which France obviously intends to stifle. For this reason France apparently intends, already at the first meeting of the Council on September 7, to force through a resolution giving Russia a permanent seat on the Council. It is to be expected that the influence of the Great Powers in the Council will be strong enough to bring about the required unanimity. A simple majority in the League Assembly will then be all that is necessary. When the League Assembly meets, a motion put forward by France or some other State for an invitation to be extended to Russia would be accepted by acclamation. The resolution admitting her, for which a two-thirds majority is necessary, would then be a mere formality.

You should, as far as possible, discreetly persuade the German journalists in the country to which you are accredited to send appropriate reports to their newspapers.

BÜLOW

⁶ Between May 1923 and April 1927, the Soviet Union had refused to attend international meetings on Swiss territory owing to the dispute over the assassination of Vorovsky, Soviet Delegate to the Lausanne Conferences in 1923. The dispute was settled by a joint Soviet-Swiss declaration of Apr. 14, 1927. Material on the sympathetic German attitude towards such a settlement has been filmed on Serial M103.

No. 190

6695/H101285-88

The State Secretary to the Embassies in Great Britain, France, Italy and the Soviet Union

BERLIN, September 3, 1934.
e.o. IV Ru. 4770.

I enclose a memorandum dated September 1, 1934,¹ which gives our attitude to the plan for an Eastern Pact. A French and English translation of the memorandum is also enclosed. Although the plan

¹ Not printed (7562/E542150-62). Except for the date, the memorandum is identical with document No. 200.

was brought before us by the French, Russian and British Governments only, we are also simultaneously addressing our reply to the Italian Government, as Signor Mussolini has publicly defined his attitude in the matter.² The other Governments interested in the Eastern Pact will be furnished with the memorandum for their information.³

You should communicate the memorandum together with a French or English translation to the Foreign Minister at your post, or, if he is absent, to his representative, if possible next Wednesday,⁴ *but only after receiving special instructions by telegram which will be despatched on Tuesday*, and should inform him which Governments will receive the memorandum in accordance with what is stated above.

When communicating the memorandum, you should have regard to the following points of view:

(1) We expected, at first, to be furnished with a revised text of the treaty or at least with a more precise definition of the project. As that, for the time being, is obviously not the intention of the authors of the plan, we have decided to state our attitude now. Naturally we have been compelled to confine ourselves to discussing points of principle. We have attached importance to informing the Powers of our views in advance of the meeting of the League of Nations, so that, during the discussions which will presumably take place in Geneva, they may not be left in ignorance of our attitude.

(2) In view of the statement about the disarmament question which the British have introduced into the outline of the treaty,⁵ and in view of M. Barthou's speech at Bayonne⁶ it has been necessary in the memorandum to define once again our point of view on the relation of the problems of disarmament and security to one another. Here it should be noted that it is in no way our intention again to bring up for discussion the question of our military equality of rights, i.e., to propose negotiations in which the equality of rights of the other nations would still have to be recognized first. The purport of that part of the memorandum which deals with this subject, is, as its wording shows, simply to reject the idea that our equality of rights is still an open

² The reference is to the Italian communiqué of July 13; see document No. 87, footnote 1.

³ Copies of this despatch and memorandum were handed to Minister von Moltke on Sept. 3, with instructions to communicate the memorandum to the Polish Foreign Minister on Wednesday, and sent on the same day to the Legation in Kovno, with instructions to communicate it on Thursday (i.e., Sept. 6) (6695/H101292). They were also sent to the Legations in Helsinki, Riga, Tallinn and Prague on Sept. 6, the memorandum to be handed over only after further telegraphic instructions (6695/H101293), and sent on the same date to the Legation in Brussels with similar instructions, for the reason that Belgium was a signatory of Locarno (6695/H101298). See also document No. 191, footnote 3.

⁴ i.e., Sept. 5, for the morning of which the Missions in London, Paris, Rome, Moscow and Warsaw were instructed by telegram of Sept. 3 (6695/H101301) to seek appointments with the respective Foreign Ministers. See document No. 191 and footnote 3 thereto.

⁵ See document No. 85, enclosure 2.

⁶ See document No. 92, footnote 17.

question. We would, therefore, not agree to a possible proposal that we should negotiate in a conference about equality of rights and the Eastern Pact *pari passu*. We could only consider taking part in international negotiations provided our equality of rights was no longer treated as a subject for discussion but was recognized *a priori* by all Governments taking part in such negotiations as an established fact. If on your communicating the memorandum this point should be raised with you, you should be careful to hold such language as will not prejudice this point. You should avoid as far as possible entering into any detailed discussion on it.

(3) We have, in order not to be consistently negative, indicated at the end of the memorandum what form of new agreements in the sphere of security we might find acceptable. But here too regard must naturally be had to the fact that we do not intend ourselves to suggest negotiations about an Eastern Pact in this or that form.

(4) We do not for the time being intend to publish the memorandum. We shall at first confine ourselves to letting it be known that we have communicated the memorandum. We must naturally reserve the right to publish the substance of our views or even the memorandum itself, in so far as the further course of events may make this appear necessary. We shall expect the other Governments to act accordingly and to treat the memorandum as confidential.

You should report by telegram on how your *démarche* is received.

VON BÜLOW

No. 191

6695/H101314

Memorandum by the Director of Department IV

BERLIN, September 4, 1934.

e.o. IV Ru. 4795.

Reich Minister Freiherr von Neurath has just (8:30 p.m.) telephoned and stated that he has received instructions by telegram from State Secretary Lammers¹ that the Führer and Chancellor wishes to see the memorandum again before it is communicated. He asked me to ascertain from State Secretary Lammers in Berchtesgaden where the Führer and Chancellor was and to arrange with Herr Lammers where the copies should be sent.² Herr von Neurath has ordered that the

¹ See document No. 187, footnote 5.

² In a further memorandum of even date (6695/H101317) Meyer recorded that he had telephoned Lammers who had asked for two copies of the memorandum to be sent at once to Berchtesgaden; he (Lammers) would travel to Nuremberg on Sept. 6 and submit the memorandum to Hitler there. Meyer despatched the memoranda under a covering note of even date (7562/E542148-49) which bears the marginal note: "The matter was settled in Nuremberg after the Foreign Minister's report to the Führer. L[ammers], Sept. 17." No record of this report has been found.

Ambassadors in the countries concerned should be instructed not to carry out the instructions in despatch No. IV Ru. 4770 and to cancel their appointments with the Foreign Ministers.³

MEYER

³ See document No. 190 and footnote 4 thereto. On Sept. 4 the Missions in London, Warsaw, Paris, Moscow and Rome were instructed by telegram (6695/H101315) to take no action as yet on document No. 190; on Sept. 5 similar instructions were telegraphed to Kovno (6695/H101316). On Sept. 8 the Missions above listed, except Kovno, were instructed by telegram (6695/H101338) to act on document No. 190 on Sept. 10, but to alter the date of the memorandum to Sept. 8 before communicating it. Similar instructions about communicating the memorandum, but on Sept. 11, were telegraphed on Sept. 8 to the Missions at Kovno, Riga, Tallinn, Helsinki, Prague and Brussels (6695/H101339). On Sept. 10 the Missions in Ankara, Madrid, Tokyo, Washington, The Hague, Berne, Copenhagen, Oslo, Stockholm, Vienna, Bucharest, Budapest, Belgrade, Sofia, Athens and Peking, and the Consulate General in Danzig and the Consulate at Geneva were sent copies of the memorandum with instructions to hold language accordingly but not to communicate the text of the memorandum itself (6695/H101294-95).

No. 192

6203/E468494

Minute by an Official of Department IV

BERLIN, September 4, 1934.

zu IV Po. 6289.¹

On enquiry, the Reich Finance Ministry and the Vice-President of the Reichsbank, Dreyse, have stated that President of the [Danzig] Senate Rauschnig and President of the [Danzig] State Bank Schäfer have been promised only one *single* subsidy of two million free Reichsmark up to December 31 of this year. Herr Dreyse expressly protested against any promise of two million Reichsmark *monthly* and confirmed that in the discussions here there had been absolutely no doubt about the one single payment.

Telegram No. 33 of September 3 from the Consulate General in Danzig has been answered accordingly.²

Distribution:

1. To Ministerialdirektor Meyer for information.
2. To be filed.

L[IERES]

¹ This was Danzig telegram No. 33 of Sept. 3 (6203/E468493), in which Köster transmitted an enquiry by Rauschnig concerning the terms of German financial aid to Danzig, since, contrary to Rauschnig's own information, Gauleiter Forster had stated that the Vice-President of the Reichsbank had promised a monthly payment of two million RM in foreign exchange. In a letter of Aug. 22 to Neurath (8826/E614349-54), Rauschnig had asked for German aid to the amount of 2 million free Reichsmark by the end of the year.

² A minute by Köster, dated Sept. 4, on the Danzig file copy of telegram No. 33 of Sept. 3 (M122/M004667) records that Lieres had that day informed him by telephone of Dreyse's statement and that this information had been passed on to Rauschnig.

No. 193

8921/E624413-14

The Ambassador in France to the Foreign Ministry

Telegram

No. 1115 of September 5

PARIS, September 5, 1934.

Received September 5—1:30 p.m.

IV Rd. 4313.

With reference to your telegram No. 434 of August 23.¹

The Secretary General, on the basis of the data which he had obtained from the experts, made the following communication to me today:

1. The French Government had been the first to make a *démarche* in Kovno and had asked the Lithuanian Government for their views on our representations.

2. The *démarche* referred to under (1) above was taken after consultation with the British Government, who, for their part, made a similar *démarche* a few days later. The Italian Government had taken similar action.

3. The Lithuanian Government had replied to the British and French Governments that:

(a) Their conduct in the Memel Territory in no way violated the Memel Statute.²

(b) Beyond this, their competence in respect of the Directorate had been confirmed by the Hague Court of Arbitration.

(c) Lithuania undertook that the judicial proceedings which had been instituted against persons concerned in the events, should be concluded as speedily as possible.

(d) She would submit to the Signatory Powers an *aide-mémoire* on the events in the Memel Territory, together with the verdicts of the courts and their reasons, at latest by December.

4. The Secretary General informed me that on August 28 the French Government asked the British Government for their opinion on the Lithuanian reply and requested them above all to stress all points which, in their view, still required clarification.

5. On August 30, the Lithuanian Chargé d'Affaires had asked the competent official in the French Foreign Ministry, on the occasion of a

¹ Not printed (8921/E624398); this telegram, which was also addressed to London and Rome as telegrams Nos. 269 and 258 respectively, repeated the text of Kovno telegram No. 48 of Aug. 22 (8921/E624397) which reported that the Lithuanian Government were trying to get the Signatory Powers to postpone their *démarches* and gave instructions for approaches to the respective Governments to counter this move.

² See Editors' Note, p. 137.

conversation relating to other matters, that the Signatory Powers should refrain from further *démarches*, more especially a collective *démarche*, as the Lithuanian Government had stated they were ready to furnish the Signatory Powers with all the desired explanations and evidence. A fresh *démarche* relating to collective action would not remain a secret and Lithuania would be placed in an extremely difficult position.

I informed the Secretary General that it was my impression that the Lithuanian Government wanted, by appearing to accept their first *démarche*, to cause the Signatory Powers to suppose that the Lithuanian Government would loyally comply with their responsibilities. But in reality, Lithuania was merely indulging in delaying tactics, calculated to lull the Signatory Powers to sleep, and was reckoning on their forgetting the affair since they were much occupied with other problems. Lithuania wished to employ the time thus gained to create as many *faits accomplis* as possible, as was proved by the many recent dismissals of civil servants and employees. In these circumstances, I requested that the matter might continue to receive the greatest attention and that the presentation of the so-called *aide-mémoire* might be hastened as much as possible.

I said I would revert to the matter again shortly in order to ascertain the attitude of the British Government with regard to the decisions reached by the French Government.

KÖSTER

No. 194

6695/H101345-46

Memorandum by the Foreign Minister

LEINFELDEN, September 6, 1934.

RM 1015.

The Polish Foreign Minister, Beck, who called on me on his way to Geneva,¹ spoke to me as follows regarding Poland's attitude towards the Eastern Pact:

The Polish Government had so far avoided defining their attitude to the Eastern Pact; they had instead confined themselves to raising a number of questions in Paris. The more the draft of the Eastern Pact was studied, the more obscure it became and, therefore, the more pitfalls there appeared. The Polish Government were, at any rate, determined not to accept it in its present form. They were decidedly of the opinion that bilateral treaties were preferable in all respects. Beck said that in his discussions in Geneva he would allow no room

¹ See documents Nos. 177 and 187.

for doubt that whatever might happen about the Eastern Pact proposals the German-Polish Agreement of January 26² must not be affected in any way. This agreement had proved its value and he would not allow it to be disturbed. In any event he did not believe that the negotiations on the Eastern Pact proposals would proceed very quickly. If France and Russia wished to conclude alliances or other treaties, that was a matter of indifference to the Polish Government. They would not allow any pressure to prevent them from pursuing the policy which they regarded as useful.

In answer to my question regarding the attitude of the [Baltic] Border States to the Eastern Pact proposals, M. Beck said that he had no relations with Lithuania;³ with regard to the other States, they were being extremely reserved and were waiting to see how things developed. Should some pact ultimately materialize, naturally these States would not be able to remain outside.

M. Beck said further on this point that one of the many obscurities was about how the States invited to take part had been selected; this lacked all logical foundation. All in all both he and Marshal Pilsudski were extremely sceptical about the whole Eastern Pact proposal, and he would make no secret of this in Geneva.

I confined myself to informing M. Beck in general terms of our own objections, with which he was already familiar through our conversations with Minister Lipski. M. Beck promised to inform us of the results of his conversations in Geneva, either in person on his way home or through Minister Lipski. In addition, he laid great stress upon the value he attached to being in close contact with the German Government on all questions.⁴

FRHR. VON NEURATH

² For the text see vol. II of this Series.

³ Poland and Lithuania did not maintain diplomatic relations with each other owing to the dispute over Vilna; see document No. 131, footnote 9.

⁴ In a memorandum, RM 1016 of even date (2945/575945), Neurath recorded that Beck had suggested the second half of October as the appropriate time for raising the respective Legations to Embassies.

No. 195

8115/E580811-18

The Chargé d'Affaires to the Holy See to the Foreign Ministry

No. 357

ROME, September 6, 1934.

Received September 8.

II Vat. 1059.

Subject: The Reich Concordat.¹

I have the honour to submit to you the enclosed copy of a Note

¹ See document No. 50, footnote 1.

from the Cardinal Secretary of State regarding the Reich Concordat, and I should be grateful for your instructions.²

KLEE

[Enclosure]

HIS HOLINESS' SECRETARIAT
OF STATE
N 2794/34

THE VATICAN, September 2, 1934.

HERR CHARGÉ D'AFFAIRES: I would beg Your Excellency to bring the following to the notice of the Government of the German Reich.

A study of the Bishops' report on the negotiations which took place in Berlin during the period from June 24 to 29 last³ between representatives of the Hierarchy and the Reich Government, and an examination and assessment of the views (which we requested and which have only just been received) of the German Bishops on what has so far been achieved, have caused the Holy See to come to the following conclusions:

(1) The concessions so far made by the representatives of the German Reich Government in various essential matters are below the degree of religious freedom guaranteed by the text of the Concordat. Neither in the judgement of the Holy See nor in the opinion of the Hierarchy can they therefore be regarded as a true interpretation of the Concordat itself, not to mention the assurances made to the Holy See at the time of negotiating and concluding the Concordat. It will be necessary, therefore, to agree upon the required modifications in further conversations with the representatives of the Hierarchy.

(2) On the basis of the Holy See's instructions and the exchange of views within the Hierarchy, the latter's representatives are in a position to comment in detail on the requisite modifications and additions. Subject to a subsequent final decision, the Holy See would already draw attention at this stage to the following points regarding the provisional draft of the text:

(a) The prohibition of any party-political activities as stipulated by the Reich Concordat (Article 31, paragraph 2) contains nothing to prevent the Catholic organizations from cooperating in public welfare in the spirit of the classical encyclicals of recent Popes. The avowal, the practice and the defence of the teaching

² A handwritten marginal note reads: "On Sept. 13 I gave Min[isterial]dir[ektor]. Buttman a copy of this document for the Reich Ministry of the Interior myself and discussed with him its contents and our further *modus procedendi*. We agreed first to await the *démarche* which, according to the Cardinal Secretary of State, we may expect the German Hierarchy to make for a resumption of negotiations on the application of Article 31 of the Reich Concordat. Herr Buttman shares my view that we must demand extensive powers for the negotiating Bishops, so that the outcome is not again sabotaged by subsequent protests from the Hierarchy to the Curia. M[en]sh[ausen], Sept. 15."

³ See document No. 50.

and inspiration derived from the Christian ethos, which create a communal life conforming to the Divine Law, are an inalienable right of the Church and its members. The restrictive and certainly easily misconstrued wording of the provisional draft in certain places requires to be amended.

(b) With regard to the agreements concerning youth organizations, the further postponement of individual questions to a later date is impracticable. If both sides are to be satisfied, a comprehensive, up-to-date settlement is required, the more so as the greater part of the interim period conceded by the negotiating Bishops has already expired. All pertinent questions (provision for the physical care and education of the young, and for amenities, as well as for instilling discipline in the young; uniform dress, banners etc.) must therefore be comprehensively settled in a uniform and unequivocal agreement. Nor can the raising of the ban on dual membership be made the subject of a separate agreement between the Hierarchy and the organizations concerned; this must, rather, be done by the Reich Government themselves on their own responsibility and within the framework of the collective agreement.

(c) The Holy See cannot agree to the disbandment of the former Catholic occupational organizations, both in view of the Concordat agreements and because they are of the greatest importance for the effective care of the religious and moral life of their members. The justifiable desires of the State and the new conditions created by the establishment of the "Labour Front" can be fully met by transforming the Catholic societies concerned into sections of Catholic Action.³ In the course of this transformation such spheres of activity and types of occupation as are alien to the principles and aims of Catholic Action shall be relinquished (professional, trade union and party-political activities). Regarding dual membership see paragraph 2 (b).

(d) The decision regarding the need for the retention or creation of supra-diocesan institutions for the societies incorporated in Catholic Action (for example, for the publication of uniform literature, the training of leaders, courses, hostels, charitable institutions) is the province of the Church; this is not the task of the societies but, in accordance with the principles generally laid down for Catholic Action, of the Hierarchy under whose responsible control these institutions, too, shall be placed.

(e) A concluding provision requires to be inserted in the draft whereby the contradictory orders and regulations previously issued by Government Departments and by offices of the Party or of other organizations are rendered invalid upon the coming into force of the agreement.

(3) If the proposed agreement regarding the unimpeachable application of Article 31 of the Reich Concordat is to become an effective instrument for legal security and for peace, and if it is to be safeguarded against the encroachments hitherto customary, it will, in view of past experiences, require special guarantees. Without such guarantees it would not, in the opinion of the Holy See, have the necessary degree of reliability. To this end the Reich Government's attention is drawn to the following:

(a) In the course of the Berlin conversations representatives of the NSDAP voiced the opinion that agreements concluded by the Reich Government under the Concordat and otherwise were not binding upon the Party and its affiliated organizations; this, if it is to be taken seriously, casts doubt on the ability of the German Reich Government to enter into negotiations and treaties independently. The unusual nature of these statements compels the Holy See to press for a clarification of this matter. It would appear necessary for this purpose that any agreements entered into with the Hierarchy shall be concluded, as far as the State is concerned, by virtue of authority from the source which wields supreme power. At all events, the Holy See can acknowledge as a negotiator none other than the highest responsible representative of Government authority. The Holy See is of the opinion that, in order to put an end to views and statements of the kind mentioned above, which deprived all agreements of their intrinsic value, a statement is required from the highest State authority putting the binding legal nature of the Concordat and its accompanying agreements beyond all doubt *vis-à-vis* all offices of the Party and other organizations.

(b) The propaganda for an anti-Christian neo-paganism (by Rosenberg for instance) which has been steadily growing more intense since the present Government came into office, is in an increasing measure making use of the influence wielded by the State, the Party and other organizations. This state of affairs, which is in open contradiction to official Government proclamations of very recent date, is all the more intolerable for the Church since her freedom to defend and protect herself is constantly being restricted and in many instances actually suppressed by the State. According to reports reaching the Holy See the Reich Chancellor declared himself willing, at a reception held for the representatives of the Hierarchy,³ to make clear by official proclamation the freedom of the Church to expound and defend her tenets and her right effectively to protect herself against anti-Christian propaganda, and to ensure that this fundamental, inalienable and vital right is translated into assured reality. If such a declaration by the highest authority is to put an end to the intolerable conditions of

today, it must make it absolutely clear that such propaganda for an anti-Christian neo-paganism must not in any way be fostered by State authorities, or by organs of the NSDAP or its affiliated organizations and institutions. Effective orders must be given in conjunction with this declaration to prevent all anti-Christian propaganda within the institutions of the State, the Party and other organizations, including also, in particular, educational and training centres.

(c) In view of certain statements made by Government representatives at the Berlin talks, the Holy See attaches importance to a statement confirming that Article 1, paragraph 1, of the Reich Concordat does not permit any restrictions on the freedom of religious denominations and on the practice of the Catholic religion. Likewise, the supplementary protocol to Article 32, paragraph 2, precludes any kind of limitation on the obligatory preaching and expounding of the dogmatic and moral tenets and principles of the Church.

With a view to submitting a draft, supplemented and revised in accordance with the votes cast by the Bishops and the instructions of the Holy See, on the application of Article 31, the representatives of the Hierarchy intend to resume contact with the Reich Government without delay. The Holy See looks forward to a communication on the results of the negotiations and especially on the Reich Chancellor's decisions regarding the clarification described as essential in paragraph 3.

I remain etc.,

E. CARD. PACELLI

No. 196

8921/E624424-26

The State Secretary to the Embassies in Great Britain, Italy and France, and the Consulate at Geneva

Telegram

URGENT

BERLIN, September 7, 1934—5:10 p.m.

(1) To London No. 286

zu IV Rd. 4342.¹

(2) To Rome No. 275

4344² Ang. I.

(3) To Paris No. 466

(4) To Geneva No. 86

Drafting Officer: Counsellor Dr. Eckner.

To (4) only: For information.

To (1)–(4):

The meeting of the Memel Landtag summoned for the afternoon of

¹ Not printed (8921/E624423); Memel telegram No. 154 of Sept. 7 for Ministerialdirektor Meyer personally which reads: "Report together with commentary sent to DNB, Berlin."

² An agency release dated Tilsit, Sept. 6, which forms paragraphs 1 and 2 of the document here printed.

September 6, at which a Government statement by the illegally appointed Lithuanian Directorate of Reisgys was to be received, had to be adjourned like the session of July 27,³ owing to the artificially created absence of a quorum. Out of twenty-nine members, eighteen attended. The five Lithuanian members did not attend the sitting. Most of the other members were prevented from attending, by being summoned to police stations and told that they held their Landtag seats irregularly. When the session opened, the second deputy chairman, who is now acting as President, made a statement in which he protested that his authority in the House had been withdrawn. (The Directorate had claimed sole right to decide the admission of spectators.) The representative of the Volkspartei read a statement signed by fifteen members, i.e., an absolute majority of the House, which protested against the artificially created absence of a quorum in the Landtag. It was stated that the Reigys Directorate would never enjoy the confidence of the Landtag. It was further stated that the majority of the Landtag, including the three members of left-wing parties, concurred.

As a quorum in the Landtag requires the attendance of at least twenty members, the session was closed after lasting for just under thirty minutes. In this way, the Lithuanian Governor has achieved his purpose and the Reigys Directorate remains in office after this fashion, although the Landtag session resulted in an overwhelming majority expressing lack of confidence in it.

To (1)–(3) only:

You should immediately bring this new breach of the constitution to the knowledge of the Government to which you are accredited and emphasize the intolerable situation. You should at the same time enquire whether the information received here is correct that the Government to which you are accredited are considering making no further *démarche* in Kovno for the time being at Lithuania's request. You should press vigorously for immediate intervention.

BÜLOW

³ See document No. 142, footnote 1.

No. 197

9190/E646479-81

The Consul at Geneva to the Foreign Ministry

Telegram

No. 66 of September 7

GENEVA, September 7, 1934—9:30 p.m.

Received September 7—11:55 p.m.

VI A 3841.

From yesterday's conversation with Rosting¹ on the Polish minorities proposal, the following is worthy of note:

¹ H. R. G. Rosting, Director of the Minorities Questions Section of the League of Nations Secretariat, formerly League High Commissioner in Danzig.

(1) It is not thought in the Secretariat that there is any prospect of Poland's proposal to make the protection of minorities universal² going through, since both the Great Powers and the other States are against it.

(2) The Secretariat also think that the prospects are slight of Poland succeeding, once the generalized protection of minorities has been refused, in her claim to be released from her own obligations regarding the protection of minorities. In fact Poland (by pointing out that she was unilaterally burdened by the provisions for the protection of minorities, and in particular that Russia, on entering the League of Nations, may be expected not to have any obligations of this kind imposed upon her) could, under Article 12 of the Polish Minorities Treaty,³ request that the minorities provisions be modified; this would, in certain circumstances, amount to complete abolition, for which, under the provisions of the Article, a simple majority in the Council would suffice. But the Great Powers would be able to oppose this attempt on the grounds that the protection of minorities had been a disputed⁴ condition for assigning large territories to Poland and the Little Entente, and that, were the treaties providing for the protection of minorities to be abolished, the whole question of revisionism would be raised. Rosting believed that both the Little Entente and Greece would be entirely opposed to this Polish initiative since they are similarly situated in respect of interlocking minority and territorial questions. Apart from this, it was possible that Poland, when proposing the generalization of provisions for minority protection, hoped to achieve her own purposes over the minorities question as a *quid pro quo* for agreement to Russia entering the League and being assigned a permanent seat on the Council. Early this year Poland had even believed she could reinforce her claims by threatening withdrawal from the League of Nations. But the situation had since changed completely and Poland could not barter her general attitude towards Russia and the League of Nations for any advantages in the minorities question.

(3) On being asked what Poland, who must be aware that her proposals for modification had no prospects of success, would do in the circumstances, Rosting replied that Poland would either proceed to attack the present minorities procedure, or would at least hope that, by getting the whole question discussed, the result would be that

² See document No. 8.

³ See document No. 8, footnote 6. The relevant part of Article 12 of this Treaty reads: "Poland agrees that the stipulations . . . constitute obligations of international concern and shall be placed under the guarantee of the League of Nations. They shall not be modified without the assent of the Majority of the Council of the League of Nations . . ."

⁴ Evidently an error in transmission; the draft of this telegram in the files of the Consulate at Geneva (M41/M001096-99) here reads: "that the provisions for the protection of minorities had been a condition."

Polish breaches of the minority protection treaties would be less harshly judged by the League of Nations.

(4) In answer to a further question as to what proposals for amendments to the existing procedure could be made, it emerged that Rosting himself had already submitted a draft⁵ to the Secretary General⁶ on the subject, but that neither France nor Britain had yet expressed their views. His proposal was to the effect that the minorities procedure should be abolished and in place of the right of the . . . (group mutilated)⁷ members of minorities to petition the Council, the following procedure should be adopted: As soon as a petition is received by the Secretary General, it should no longer be referred to the Governments concerned for their observations, but should be sent to all members of the Council for information, and only be proceeded with if a member of the Council so proposes. Such a proposal might be either to refer the question to the Council or to have the grievances of the minority investigated by the League Secretariat, in which latter case the Minorities Department would be empowered to deal direct with the Government and the minorities concerned. In Rosting's view this procedure would have the advantage that minor minorities questions would give precedence to the important ones, and both Council and Governments would only deal with really major questions.

(5) Rosting emphasized that these proposals were still purely at the internal stage, nor did he know whether Poland or other States would support them. But he attached much importance to ascertaining how Germany would regard this plan and indeed the whole minorities question raised by the proposal on principle.⁸ In accordance with the attitude defined at the Berlin conversations,⁹ I told Rosting that I could say, as my personal view, that it continued to be to Germany's advantage for existing minorities protection treaties to be maintained and possibly extended. However, after what he had told me about the prospects of the Polish proposal, I thought it doubtful whether a discussion based on the Polish proposal would really further the protection of minorities. Rosting requested that his information be communicated to Berlin in order to obtain some official German statement of views.

I have informed the representatives of the German minorities who are here of my conversation with M. Rosting. They are to have a general discussion about it during the next few days for the purpose

⁵ The files of the Consulate at Geneva contain a copy of a "Confidential Note concerning the Polish proposals submitted to the 1934 Assembly and the generalization of the Minority Treaties" by Rosting, dated June 21, 1934 (M41/M001100-06).

⁶ Joseph Avenol.

⁷ The Geneva draft here reads: "His proposal was to the effect that the Madrid minorities procedure should be abolished, and in place of the right of the individual members of minorities to petition the Council . . ."

⁸ The Geneva draft reads: "by the Polish proposal."

⁹ No record other than that provided by document No. 8 has been found.

of defining their attitude, following previous and full consultation with all parties concerned.

From the Spanish side I learnt today that Madariaga¹⁰ is supposed to have said that the French would support the Polish proposal to make the minorities protection treaties universal. It has so far not proved possible to confirm the accuracy of this information, which on account of its source must be treated with particular caution. A usually well-informed French member of the Secretariat stated in conversation today that in the minorities question Poland would agree with the Russians that Poland for her part would make no claim to have the minorities obligation extended to Russia on the latter's entry into the League, whilst, in return, Russia would not make difficulties for Poland in the Council during future discussions of complaints from minorities about Poland.

KRAUEL

¹⁰ Salvador de Madariaga y Rojo, Chief Spanish Delegate to the League of Nations 1931-1936, Spanish representative on the League Council.

No. 198

8658/E606191-92

The State Secretary to the Führer's Deputy

URGENT

BERLIN, September 7, 1934.

STRICTLY CONFIDENTIAL

Sent September 8.

zu II Oe. 2396.¹

DEAR REICH MINISTER: According to a report just received from the German Consulate at Linz,¹ Herr Reinthal[l]er, the well-known National Socialist in Upper Austria, called at the Consulate recently and said that lately couriers had again been sent to Austria with instructions from quarters no longer authorized to issue them. Since such communications, despite all precautions, had nevertheless fallen into the hands of the Government, thus revealing the contacts which still existed between the Austrian NSDAP and their former leaders in Germany, the Government in Vienna were firmly convinced that there had been no change in the state of affairs. This made nonsense of his—Reinthal[l]er's—task of making peace between the Party and the Austrian Government. He could not give any thought at all to further work until he had succeeded in convincing the Federal Chancellor that all contact between the Austrian NSDAP and authorities in Germany had completely ceased.

Herr Reinthal[l]er therefore urgently requested that no more orders or instructions whatsoever be sent to Party comrades or Party leaders

¹ Linz report III a of Aug. 30, 1934 (8658/E606189-90).

by former members of Gauleitungen and of the Landesleitung of the Austrian NSDAP in Germany.

I am forwarding to you the information furnished by Herr Reinthal[l]er, and I would ask you to examine it and, if necessary, to arrange for further appropriate action to be taken.²

Heil Hitler!

V. BÜLOW

² A copy of this letter (8658/E606192-93) was sent to State Secretary Lammers the same day. A letter from Reinthaller to Hess repeating his request was enclosed in a further report from Linz, III a 1 of Sept. 15, 1934 (8658/E606194-97). In a report from Linz, III a 1 of Sept. 25, 1934 (8658/E606200-01), Consul Langen stated that he had heard from a completely reliable source that Reinthaller's attempt to mediate between the Austrian Government and the Nazi Party had failed, and that Reinthaller would relinquish his office within the Party although officially he would continue to act as Party leader *vis-à-vis* the Austrian authorities.

No. 199

8921/E624441-42

The Embassy in France to the Foreign Ministry

Telegram

No. 1129 of September 8

PARIS, September 8, 1934.

Received September 8—3:50 p.m.

IV Rd. 4373.

With reference to your telegram No. 466.¹

I have just raised the matter with M. Léger, have protested against the violation of the constitution and have stressed the necessity for immediate intervention. Léger replied that he would study the case with his experts. On my asking whether our information was correct that the French Government, at Lithuania's request, were considering making no *démarche* in Kovno for the time being, Léger said:

The French Government were prepared, at any time, to make a collective *démarche* should the other guarantor Powers decide upon it. But as this was not the case at present, the French Government did not think that they could undertake a fresh *démarche* on their own, after the Lithuanian Government, in response to representations by the Powers, had given assurances and pledges; their fulfilment would first have to be awaited or supervised, as the case might be.

I replied that I could not be satisfied with this statement, and again emphasized that the Lithuanian assurances were only delaying tactics, the purpose of which was to create a series of *faits accomplis* by illegal acts.² Certainly the Lithuanians' previous conduct sufficed to justify a fresh *démarche* in Kovno; the incidents in the Memel Territory Landtag on September 6² proved very clearly the need for immediate intervention.

¹ Document No. 196.

² See also document No. 67.

Léger thereupon declared that, if, after studying in detail the case I had presented, the French Government were to be convinced that the events of September 6 had brought about a new situation and constituted, as we maintained, a new violation of the Constitution, then they would be prepared to make their own representations again irrespective of whether the other Powers were prepared to make a collective *démarche* or not.

Since he was not fully informed of the details of the Memel affair, and since Bargeton was in Geneva and his experts were absent today, Saturday, I had to content myself with this answer. At my request Léger finally promised me a reply by Monday evening.³

DUMONT⁴

³ i.e., Sept. 10; in telegram No. 1134 of that date (8921/E624443), Dumont reported that he had been informed that the matter was still under consideration.

⁴ Dr. K. Dumont, a Counsellor of Legation at the Embassy in Paris.

No. 200

6695/H104966-78

*Memorandum from the German Government*¹

BERLIN, September 8, 1934.

In June *a[nni] c[urrentis]* the French Government and the Government of the Union of Socialist Soviet Republics verbally informed the German Government of the broad outlines of the plan for a so-called Eastern Pact of Mutual Assistance.² In July the British Government transmitted a written scheme of a Pact;³ according to this draft the first part of the new Pact system has in view a treaty between Germany, Poland, Russia, Czecho-Slovakia, Finland, Estonia, Latvia and Lithuania; the chief stipulations provided that in the case of a crisis these States should proceed to joint consultations and in the case of an attack by one of the Contracting Parties against another of the Contracting Parties they should lend immediate military assistance to the country attacked. This eight-Power treaty is to be supplemented by an Additional Treaty between France and Russia in which on the one hand Russia would undertake the same obligations which England and Italy have undertaken as guarantors of the Rhine Pact of Locarno and whereby, on the other hand, France would be considered as a signatory of the eight-Power treaty so far as Germany and Russia were concerned and would be entitled to participate in consultations of these Powers.

¹ See documents Nos. 190 and 191. The text here printed is the official translation prepared in the German Foreign Ministry. The German text has been filmed on 6695/H104940-52, the French translation on 6695/H104953-65.

² See vol. II of this Series.

³ See document No. 85.

On the basis of the informations [*sic*] hitherto received by the German Government with regard to the plan many important points are still left open. Nevertheless the German Government have carefully examined the fundamental principles of such a Pact system. The informations [*sic*] received call for certain observations which the German Government would like to make at this stage to the Governments in question. These remarks will, no doubt, help to clear the situation.

There is an observation of a fundamental character which the German Government must make at the outset. They have in the course of the disarmament negotiations always held that by far the most effective way of guaranteeing the security of all countries would be a general disarmament or at least the establishment of a reasonable and just proportion of armaments between the different States. At the same time they expressed that they would be prepared to participate in other agreements of a political character in so far as these agreements complied with the demands for complete reciprocity and in so far as they actually would serve as guarantees of peace. It was with this idea in mind that the German Government have repeatedly offered to conclude long-term non-aggression [*sic*] pacts with all neighbouring countries, renouncing the use of force in any form. The German Government stands to [*sic*] this attitude. They desire nothing more than peace for Germany. They firmly reject the idea of aggression [*sic*] against any other State or the use of any kind of force in international relations. On the other hand it is only logical that they cannot participate in any kind of international system of security so long as other Powers will contest German equality of rights with regard to armaments. A self-respecting nation cannot be expected to enter into a special kind of political relationship with other Powers, if they simultaneously treat it as a second-class nation and as a nation of minor rights, where a question is concerned which is inseparably [*sic*] bound up with what this relationship aims at. Moreover any system of security which is not firmly based upon equality of military rights must in practice necessarily work out to the disadvantage of the State differentiated. Considering the protracted discussion concerning the relation between security and disarmament, considering the Five-Power Declaration of December 1932,⁴ as well as the facts which led up to Germany's withdrawal from the Disarmament Conference and the League of Nations, and considering more especially the disarmament negotiations between the Great Powers in the course of the first months of this year, the German Government did not expect to be called upon to participate in a Pact system involving extensive new obligations,

⁴ For the Five Power Declaration of Dec. 11, 1932, see vol. I of this Series, Editors' Note, p. 18.

while her equality is still being treated as an open question. According to the documents transmitted by the British Government the latter obtained the consent of the French Government to a declaration bringing the conclusion of the proposed Pact into relationship with the disarmament question. This declaration would seem to confirm the apprehensions of the German Government with regard to what the initiators of the plan are aiming at, rather than to dispel them. "The conclusion of such a Pact and Germany's participation in the system of reciprocal guarantees now contemplated"—so the British draft says—"would afford the best ground for the resumption of negotiations for the conclusion of a convention such as would provide for a reasonable application of the principle of German equality of rights in a regime of security for all nations." The interpretation given to the declaration by the initiators of the plan appears clearly from a public speech made by the French Minister for Foreign Affairs when he stated that there could be no question of disarmament being negotiated parallel to the Eastern Pact; it could only be said that the conclusion of the Eastern Pact might perhaps create a new atmosphere which would permit to examine what effect this Pact might have on disarmament.⁵ The German Government must emphasize that they cannot be a party to such a policy. Without justification Germany is called upon to make prestations by anticipation [*sic*] which she would have to reject, even if the construction of the Pact did justice to the German point of view. The negotiations with regard to the realization of German equality of rights in the beginning of this year led to an almost complete agreement between the British, Italian and the German Governments;⁶ on the basis accepted by the three Powers they might rapidly and without difficulty have been brought to a conclusion, if all Powers concerned had been willing. If now the realization of the new demands for security is to be given preference to an international settlement of disarmaments, thus leaving the latter in a state of complete uncertainty, the German Government cannot agree to this; more especially as all the highly-armed States have since last spring proceeded to a further increase of armaments, thereby more and more reducing the chances of a general limitation of armaments, to say nothing of a general disarmament.

There is another point in connection with the previous question. Under the present scheme the entry into force of the new Pact system is subject to the entry of the Union of Socialist Soviet Republics to the League of Nations. No mention is made in the scheme of Germany's future relations to the League of Nations. If this omission is to indicate that the initiators of the plan are taking it for granted that Germany

⁵ See document No. 92, footnote 17.

⁶ For these negotiations see vol. II of this Series, *passim*.

will return to the League of Nations as a matter of course, the German Government must refer to their declaration repeatedly made that Germany's future relationship to the League of Nations cannot be discussed so long as her equality of rights is in any way questioned from certain quarters.

This decisive point having been made clear, the German Government would make the following observations, with regard to the proposed Pact system.

It is evident that the essential point of the system is the obligation of the Contracting Parties to lend immediate assistance in case of war. Thus the idea of joint assistance of States to Another State in case of attack is once more put into discussion, an idea repeatedly brought forward in varying forms in certain quarters ever since the foundation of the League of Nations. All international negotiations conducted in connection with the sanction clauses of the Covenant have shown with increasing evidence the extraordinary difficulties met by any attempt to introduce a collective Pact system providing for the obligation of an automatic military assistance, a system which in a crisis would function justly and on an equal basis for all. These difficulties hardly diminish if a system of sanctions and guarantees comprising all States or a large number of States is replaced by regional Pacts of certain groups of States. Except under circumstances and in the case of problems of quite a special kind as they exist, for example, in the case of the Rhine Pact of Locarno, a regional Pact system of this kind will in practice, as a general rule, either fail completely or it will merely operate along the lines indicated by other political engagements and interests of different Powers and corresponding in no way to the aims of the Pact. Even on the supposition that at the critical moment, the contracting parties will give preference to considerations of loyalty [*sic*] to the Pact over other engagements [*sic*] and interests, it is difficult to imagine how such a Pact could afford adequate protection to partners of military inferiority against partners of strong military power. Moreover the tendency to secure as far as possible the automatic functioning of assistance would involve the danger of the Pact being put into operation more easily in an arbitrary way and by political machinations.

If the proposed Pact system is examined from the points of view indicated above, serious doubts must arise as to whether, under the existing circumstances, this system can really be considered as an effective instrument of peace, working indiscriminately under all circumstances. The question arises as to what considerations have led to the selection of the eight Powers named as partners of the Eastern Pact. In this connection it must further be asked for what reason France is called upon to act as a guarantor of the Eastern Pact, and for what reasons this guarantee is to be so stipulated in a special treaty, that it

only applies to Germany and the Soviet Union and not to the other Contracting Parties to the Eastern Pact. The Serious complications which might arise from this or a similar grouping of Powers can easily be gathered, if you consider the geographical situation of the Powers concerned, their individual political interests and furthermore the fact that several of these countries are already bound by other political engagements. Far from putting into doubt the loyalty of the Governments concerned, yet the German Government does not feel convinced [*sic*] that the engagements stipulated by the new Pact system would in every case prove sufficiently strong and that they would not come into conflict with given realities. The assistance provided for in the Pact is, in the case of war, to be given "immediately" i.e. at once and unconditionally, no time being given to wait for the result of the consultation between the Governments or the decision of any other Institution and no allowance being made for the agreement of the States obliged to offer assistance. Is it not likely that, under such a system, the Powers obliged to lend assistance will have different views as to which of the States drawn into the conflict has been attacked? Is it not likely that in case of such a divergence arising it would easily happen that either the attitude of the strongest Power or Powers would decide and compel the other partners to follow suit, or that the question at issue would lead to the formation of opposing groups among the partners, resulting in a war of all against all? But, putting aside the possibility of such differences of opinion, would it not lead to extraordinary difficulties in many cases, if the Contracting Parties are bound not only to military assistance but also to permit the troops of any other partner to march through their own territory? Finally it should not be left out of consideration that the formation of such groups, in so far as it actually increases the security of Contracting Parties, might, for this very reason, under certain circumstances cause reactions on States not being partners which would be out of harmony with the general interest in the preservation of the peace of the world.

The example of the Rhine Pact of Locarno, providing under certain circumstances, for the automatic assistance of the Guarantor Powers, cannot be cited as against these possibilities. The Rhine Pact deals with a very concrete and clearly defined political problem. Its application was from the outset sufficiently clear to the limited group of Powers concerned to enable them to form an accurate opinion on the extension of their obligations. Complications as indicated above are, as matters stand, practically out of the question. There is no need to prove that matters would be quite different in the case of the new Pact.

The Governments now supporting the plan of an Eastern Pact must appreciate that the German Government cannot take into consideration such an extensive project but with the utmost caution and after weighing carefully all possibilities. The central situation of Germany

in the midst of heavily armed States makes this imperative. How can Germany undertake the obligation to intervene in indefinite conflicts of other States which do not concern her or in which she is not interested? She would thereby make herself the battleground for all possible conflagrations in Europe and draw upon herself dangers which no serious adherent of such a Pact can possibly expect her to face. These apprehensions cannot simply be dispelled by stating that the object of the Pact is precisely to prevent the outbreak of war and that therefore this eventuality need not be seriously considered. That is a *petitio principii*; for by so reasoning you are taking for granted what, in the opinion of the German Government, must be a matter of doubt, i.e., whether such a Pact would actually have the effect of guaranteeing the maintenance of peace between the Contracting Parties under all circumstances. There is therefore no ground whatever for the argument that any apprehensions with regard to the consequences of the proposed Pact provisions may be dispelled by expressing the mere hope that these provisions will never receive practical application.

Furthermore Germany can hardly expect any real advantages from [*sic*] the Pact which would outweigh the dangers referred to. The German Government cannot refrain from speaking quite openly about certain delicate points raised by the problem presented to them, the other Governments having opened the plan of the Eastern Pact to public discussion although they could have no doubt as to the German point of view. The German Government is under the impression that the Additional Treaty referring to the mutual obligations of France and Soviet Russia is a construction which is neither called for nor suggested by the natural requirements of the situation in Eastern Europe nor by any need for a greater stability of the Locarno system. Whatever may be the ideas of the other Powers interested in eastern questions or partners to the Locarno system with regard to the part now to be played by the two countries France and Russia, Germany cannot see how she might gain thereby. Even if the Additional Treaty were so drawn up that the guarantee given by France and Russia were to act equally in favour of Germany, this would, as a matter of fact, only constitute a formal equality. The German Government cannot consider it a practical reality that Germany, one day, should be defended in her own territory by Soviet-Russian troops against an attack from the west or by French troops against an attack from the east.

In expressing the aforesaid doubts and apprehensions, the German Government does not wish to evade a joint examination of the question as to whether and what new guarantees for security can be created for Europe or for certain parts of Europe in addition to the settlement of the armament question. They are inclined to believe that, in general, the best results will be achieved by the method of bilateral agreements, because, such agreements can always be adapted to the concrete

circumstances and therefore do not run the risk of either remaining pure theories or of leading to complications. They do not, however, wish altogether to reject the idea of multilateral pacts. In case the other Governments would wish to pursue the idea of multilateral pacts, the German Government would, however, earnestly suggest that stress should not be laid on the agreement to immediate military assistance in case of war, but rather upon other methods of securing peace. The idea of a collective obligation of non-aggression [*sic*] and the idea of consultation between the Powers interested, in a political crisis, would present themselves in the first instance. It is known that both ideas have already been discussed in the course of the disarmament negotiations at Geneva and have at the time generally been accepted as part of the Disarmament Convention. They might, however, be developed along various lines so that thereby real guarantees of peace would be created. Without entering into details the German Government would merely like to indicate the general direction in which, in their opinion, further considerations might well be carried on. Other possibilities need thereby not be excluded. They would only have to be considered from the point of view that the best guarantee of peace will ever be not to prepare for war against war, but to extend and strengthen the means apt to prevent any possibility of an outbreak of war.

No. 201

6695/H101387-88

The Embassy in France to the Foreign Ministry

Telegram

No. 1132 of September 10

PARIS, September 10, 1934.

Received September 10—3:45 p.m.

IV Ru. 4886.

With reference to your telegram No. 469.¹

I have just given the Secretary General of the Foreign Ministry, Léger, the Eastern Pact memorandum,² in the German, French and English texts, and have informed him, in accordance with your instructions,³ which Governments have received the memorandum. Léger read through the French text carefully and afterwards said briefly that he saw from it that Germany's attitude was purely negative. I disputed this just as briefly, referring to the concluding remarks of the memorandum but, in accordance with the instructions contained in despatch IV Ru. 4770,³ avoiding a discussion. Beyond this Léger

¹ This was the telegram to Paris of Sept. 8 (see document No. 191, footnote 3) authorizing the communication of the German memorandum (document No. 200).

² Document No. 200.

³ Document No. 190.

merely said that he would transmit the memorandum to Geneva, to the Minister responsible.

He then asked me if I knew why there had been a delay in communicating the memorandum;⁴ he was mainly interested to know whether the text had meanwhile been substantially changed. I replied that I thought I could definitely deny this, since the memorandum concerned principles basic to German foreign policy, so that it could merely have been a matter of slight stylistic amendments.

Léger of his own accord returned to the question of the choice of Governments to whom we had communicated the memorandum, and asked whether we had not also communicated it to the Polish Government. I repeated, in accordance with your instructions, that we had communicated the text to the French, Russian and British Governments as these Governments had laid the pact plans before us direct, and to the Italian Government because Mussolini had publicly defined his attitude to the question. The memorandum had also been communicated for information to other Governments interested in the Eastern Pact, thus also to Poland.

Thereupon I asked Léger, for my part, whether the other Powers had defined their attitudes. Léger told me that they had all replied in the affirmative, except for Poland. The Polish Government had some time ago asked for further details in certain respects, especially on extending the guarantee to include other States. The French Government had replied that it was only a question of including Russia in the guarantee and perhaps Germany, should Germany so wish. That was the present position; furthermore Barthou was negotiating direct with Beck in Geneva.

Léger agreed to treat the memorandum as confidential, and only to inform the press that a memorandum had been communicated.

I have informed Léger that Ambassador Köster will call on him tomorrow.⁵

DUMONT

⁴ See document No. 191 and footnote 3 thereto.

⁵ No record of any such meeting has been found.

No. 202

6207/E469234-35

The Consulate General in Danzig to the Foreign Ministry

CONFIDENTIAL
I G 1258

DANZIG, September 10, 1934.
Received September 10.
IV Po. 6432.

Subject: Action by Lester in connexion with the alleged unconstitutional nature of various measures of the Senate.

I have heard in strict confidence that, shortly before the departure

of President of the Senate Dr. Rauschning, the High Commissioner took the opportunity, in a comprehensive discussion, of pointing out to him the need for government action throughout the administrative and legal systems to conform to the existing Constitution¹ and also to take into account Danzig's special position in constitutional law. Without first going into individual cases, he must emphasize, in a quite general way, that a totalitarian State was not possible in Danzig and that intentions of replacing the State by a National Socialist Party régime would not be consistent with the Constitution. In particular, measures taken by the Department for Religious Affairs, as well as by the Department for Home Affairs, had given rise to various complaints. Really serious questions were, in his opinion, the treatment of the Jews and the Catholics. With regard to the question of the Jews, Mr. Lester referred to a conversation with a British representative of the Jews, who had visited Danzig, and who, though not expressing doubts as to the good intentions of the Government, had nevertheless drawn attention to Party instructions which must be regarded as a clear proof of a boycott. Mr. Lester had received a complaint from the Catholic clergy² in which the case of a Catholic meeting having been prohibited was again brought up.

Mr. Lester gave particular expression to his misgivings regarding the observance of the Constitution in a Note dated August 30, 1934, addressed to the President of the Senate. A copy of the Note is enclosed.³ In the final sentence of the Note, Mr. Lester expresses the hope that after the conclusion of the comprehensive system of economic treaties,⁴ the Danzig Senate would devote itself to bringing its legislative measures into closer conformity with the existing Constitution.

Mr. Lester obviously wished to provide himself, by this discussion and the above-mentioned Note, with some support before the meeting of the Council, in case any questions and complaints should be addressed to him concerning alleged violations of the Constitution by local measures. It cannot yet be foreseen what questions, apart from the complaints mentioned by him, may still be brought forward separately after the Council meeting.

Lester's action has not yet become known even to the Senate, owing to the President of the Senate's departure shortly afterwards. I

¹ The Constitution was originally drawn up in accordance with the provisions of Article 103 of the Treaty of Versailles and agreed to by the League High Commissioner in Danzig on May 11, 1922 (for the text see League of Nations: *Official Journal*, 1922, Special Supplement No. 7); it was extensively amended on July 4, 1930, the Council of the League giving its consent to the amendments on Sept. 9, 1930 (see League of Nations: *Official Journal*, December 1930, pp. 1794-1819).

² This protest of Aug. 30, 1934, is printed in League of Nations: *Official Journal*, June 1935, pp. 762-766.

³ Not printed (6207/E469236-37).

⁴ See document No. 40, footnote 4.

would venture therefore to request that the matter be treated as confidential even where these gentlemen are concerned.

KÖSTER

No. 203

6695/H101411-12

The Chargé d'Affaires in Great Britain to the Foreign Ministry

Telegram

URGENT

LONDON, September 11, 1934—12:20 a.m.

No. 263 of September 10

Received September 11—2:35 a.m.

IV Ru. 4892.

With reference to your instructions IV Ru. 4770.¹

In accordance with these instructions, I have today given Vansittart² a German and an English copy of the memorandum on our attitude to the Eastern Pact³ and have informed him that it is being simultaneously communicated to Rome, Paris and Moscow and that it will be communicated tomorrow to the other Governments interested in the Eastern Pact.

Basing myself on the memorandum, and making use of the points contained in your accompanying instructions, I gave Vansittart a general survey of how the memorandum was set out and arranged and read out to him in full the most important passages. I attached special importance to making it clear to him that the German Government had, in view of the statement about the disarmament question which the British Government has inserted into the outline treaty,⁴ and in view of Barthou's Bayonne speech,⁵ considered it necessary to define the relation of disarmament to security once again. This passage in the memorandum did not mean that we were proposing to raise the question of our military equality of rights, since we no longer considered it an open question. Here I quoted the renewed expression of astonishment contained in the memorandum that, after what had already occurred, anyone could expect the German Government, by assuming new and more extensive obligations, to take part in a mutilation of the system whilst Germany's equality of rights was still treated as an open question. As Vansittart, who had listened in silence to the whole of my *exposé*, did not take up this last point either, I avoided, in accordance with your instructions, enlarging on the question.

At the end of my explanations Vansittart said that he could express no views on the substance of the memorandum without closer study.

¹ Document No. 190.

² Sir Robert Vansittart, Permanent Under-Secretary of State for Foreign Affairs.

³ Document No. 200.

⁴ See document No. 85, enclosure 2.

⁵ See document No. 92, footnote 17.

He would telegraph a *résumé* and send the text by courier to Geneva today. Simon would probably be passing through London in about four or five days' time on account of a . . . (group missing) with the King in Balmoral, and would spend a day here. This would be the first opportunity to discuss the matter in full with the Foreign Secretary. Should there afterwards be anything to communicate to us about the British views, or should any explanations of the memorandum be required, Vansittart promised to ask me to call on him again.

On my stating that we did not for the present intend to publish the text of the Memel conflict [*sic* ? memorandum]⁶ but would merely make the fact of our having communicated it known, Vansittart urged me to suggest that Berlin publish, if not the memorandum itself, then at least a *résumé* of it as soon as possible, since, judging from past experience, with the memorandum being communicated to so many Governments there could be no guarantee of its remaining secret in face of the storm which would certainly arise in the press throughout the world; a result that might all too easily lead to subsequent annoyance over an alleged breach of confidence from some quarter.⁷

BISMARCK

⁶ See document No. 67 and footnote 2 thereto.

⁷ A note by Meyer of Sept. 11 (6695/H101410) records a telephone message from the London Embassy at 12 noon that day to the effect that Vansittart had telephoned Bismark to say that as a *résumé* of the memorandum had been issued by DNB, the Foreign Office would have to reply to possible questions by the press on the British attitude, but confirmed that, in deference to German wishes, the full text would not be released in London.

No. 204

6695/H101416

The Chargé d'Affaires in Italy to the Foreign Ministry

Telegram

No. 215 of September 10

ROME, September 11, 1934—1:10 a.m.

Received September 11—3:15 a.m.

IV Ru. 4893.

With reference to your telegram No. 278 of [Sept.] 8.¹

I have this evening handed the Eastern Pact memorandum² to Suvich and, bearing in mind the instructions contained in your despatch of September 3, IV Ru. 4770,³ have fully discussed it with him. After having first explained in detail the main features of the memorandum, we then went through the text which I read out, paragraph by paragraph. Suvich first expressed his thanks at Italy being in-

¹ This was the telegram to Rome of Sept. 8 (see document No. 191, footnote 3) authorizing communication of the German memorandum (document No. 200).

² Document No. 200.

³ Document No. 190.

cluded and accepted my explanations with an interest which he displayed by repeatedly asking questions. Asked what were his impressions of the memorandum he replied that he could, of course, not yet give a final judgement on so comprehensive a document. But he could certainly say now that the memorandum set out, in an exemplary and convincing manner, all the difficulties and gaps which beset the Eastern Pact project in Italian eyes as well. On the other hand, it was his personal view that the pact, for all its shortcomings, did offer possibilities for furthering German interests, since it was based on equality of rights for all those party to it, as was shown *inter alia* by the way the guarantee question was dealt with. Germany by employing skilful tactics could more easily counteract the danger of encirclement by joining the pact than she could if she entirely declined to take part. Hereupon I once again briefly explained our point of view, in particular on the equality of rights question, but refrained from enlarging upon it in view of advanced . . . (group missing). When I asked whether he had received anything about the projected pact being discussed during the Geneva conversations, Suvich said that he had not, and stressed that Italy was keeping entirely aloof from these discussions.

SMEND

No. 205

8921/E624444-45

The Chargé d'Affaires in Great Britain to the Foreign Ministry

Telegram

URGENT

LONDON, September 11, 1934—4:33 a.m.

No. 264 of September 10

Received September 11—6:15 a.m.

IV Rd. 4411.

With reference to your telegram No. 286 of September 7.¹

This afternoon I called on Collier² and, on the basis of your telegram, after explaining the facts of the case, proceeded to make very full representations about the increasingly acute situation in the Memel Territory and about constant Lithuanian infringements. I said it was clearly intolerable that the guarantor Powers, who were responsible for supervising the observance of the Statute of Autonomy,³ were doing nothing at all. The German Government were expecting that representations would at last be made in Kovno, and I was therefore requesting to know whether it was the case that the British Government, at the request of the Lithuanians, were considering refraining from a *démarche* in Kovno for the time being.

¹ Document No. 196.

² Laurence Collier, Counsellor and Head of Northern Department in the Foreign Office.

³ See Editors' Note, p. 137.

Collier, who had just returned from leave, much regretted that in his absence the proposed collective *démarche* by the guarantor Powers had not been made; he stressed that the delay did not lie with the British Government. Difficulties had arisen with one of the other two European guarantor Powers, but he did not feel authorized to tell me which. The Government concerned had only just requested once more that the legal aspect be studied first to ascertain whether there was a legal basis for a collective *démarche*, so as to avoid all possibility of such a *démarche* having the appearance of putting political pressure on Lithuania. Simon, who had dealt with the matter on the eve of his departure for Geneva, had declined to be associated with this further delay. Collier then read to me a passage from a memorandum, without saying by whom it was written, though it appeared likely to be by Simon himself, which stated that the subject should be no further delayed, but that the matter should be energetically taken up again with the other two Powers in order to bring about a collective *démarche*. The memorandum continued that there would be no purpose in the British Government alone making representations in Kovno, since it would at once become apparent to the Lithuanian Government that the guarantor Powers differed in their views, and consequently the British *démarche* would fail in its effect. Collier continued by explaining that, at Simon's desire, telegrams had been sent this afternoon to Rome and Paris, again stressing the need for a prompt collective *démarche*. The *démarche* once made, there would be two courses open; either the matter might be taken to the Hague Court of Arbitration or to the League of Nations. As the Hague Court proceedings always lasted so long he hoped that the League of Nations would deal with the matter, if possible during its present session. Since the British Minister, Knatchbull-Hugessen,⁴ would be leaving Riga by September 15, he hoped that the *démarche* could be made before that date, a hope in which I, for my part, heartily concurred. Collier said that this information would provide me with the answer to my first question as to whether the British Government were, at Lithuania's request, considering refraining from a *démarche* for the time being. He said that certainly the Lithuanian Minister in London,⁵ as also the Lithuanian Foreign Ministry when speaking to the British Chargé d'Affaires in Kovno,⁶ had repeatedly asked that there should be no *démarche*, especially in view of the legal proceedings pending against citizens of Memel under arrest, but the British Government were not concerned about such requests, since they held that, in any case, in some respects the Lithuanians had violated the Statute of Autonomy.

BISMARCK

⁴ H. M. Knatchbull-Hugessen, Minister in Latvia, Lithuania and Estonia.

⁵ Bronius Balutis.

⁶ T. H. Preston, Chargé d'Affaires *ad interim* and Consul at Kovno.

No. 206

3058/609826

Memorandum by the Foreign Minister

BERLIN, September 12, 1934.

RM 1030.

After I had made my report today on the French Saar Memorandum¹ the Reich Chancellor said:

- 1) that we were naturally going to meet our obligations arising out of the Versailles Treaty;
- 2) for this reason, there could be no question of refusing to pay compensation for the return of the coal mines;
- 3) the time, nature and amount of compensation to be paid must be the subject of negotiations.

V. N[EURATH]

¹ This memorandum, addressed by Barthou to the Secretary General of the League of Nations and dated Aug. 31, proposed that preliminary studies should be made of the main questions which would arise after the Saar plebiscite. Copies were forwarded to the Foreign Ministry from the Embassy in Paris under report A 3784 of Sept. 4 (7894/E572883-94). For the English text see League of Nations: *Official Journal*, October 1934, pp. 1185-1187. It is frequently hereinafter referred to as the "French Memorandum" or the "Barthou Memorandum".

No. 207

9037/E633321-25

Circular of the Foreign Ministry¹

BERLIN, September 13, 1934.

e.o. W 7864.

With reference to our circular W 7265 of August 28, 1934.²

The preparatory work for the "New Plan" for allotting foreign exchange,³ as announced by Dr. Schacht, the acting Reich Minister of Economics and President of the Reichsbank, has now advanced to a point at which it has proved possible to publish the basic orders and decrees, and to ensure that the plan will come into force with effect from September 24, 1934.

The Reich Ministry of Economics announced the details of the New Plan in a statement to the German press on September 11. A copy of this press statement is attached as Enclosure 1.⁴

¹ Addressees were all diplomatic Missions, with the exception of the Embassy to the Holy See, and all Consulates General.

² See document No. 169, footnote 11.

³ See document No. 175.

⁴ Not printed (9037/E633326-30).

Of particular importance amongst the five orders and decrees cited in the statement is the circular by the Reich Foreign Exchange Control Office to the Supervisory Offices regarding the new system of allocating foreign exchange for imports, the text of which is attached as Enclosure 2.⁵ Of the remaining orders and decrees cited in the statement, the orders referred to under (1) and (2) contain the legal basis and the executive provisions for organizing the setting up of the new Supervisory Offices. Under the order referred to under (3), the general free allowance of foreign exchange for payment of goods from abroad (but not for other purposes, such as tourism), which has hitherto generally amounted to 50 RM per month, is reduced to 10 RM.

The decree by the Reich Minister of Finance⁶ referred to under (5) in the statement contains instructions to the Customs Offices that, when they clear goods for which a foreign exchange permit has been issued, they should supply a customs certificate which together with the foreign exchange permit will entitle the importer to make the payments requiring authorization under the foreign exchange regulations. Where a foreign exchange permit is not submitted at the customs clearance of goods, this shall not affect the customs clearance. The Customs Offices are, however, obliged to make a report. These regulations merely serve the purpose of control in order to prevent payments being made in contravention of the foreign exchange regulations and at the same time to get an idea of the scale on which goods are imported without a foreign exchange permit.

Apart from these five orders and decrees, special attention is drawn to circular No. 104 by the Reich Foreign Exchange Control Office which was also quoted in the statement and which contains the official directions on the exchange of goods and clearing transactions. In conjunction with the new system of foreign exchange allotment the importance of these clearing transactions is now increasing. A copy of this circular is therefore also attached.⁷

There are no objections to making use of the contents of all these orders or decrees.

The aforementioned orders and decrees do not complete the formulation of the New Plan. Still lacking, in particular, are provisional regulations for the treatment of arrears arising out of foreign claims for deliveries of goods, which will have accrued by the time the New Plan comes into force; that is to say both the so-called overdue claims, that is claims which have already fallen due before the New Plan comes into force, as well as claims arising out of transactions concluded before the New Plan comes into force, but which are not due for settle-

⁵ Not printed (9037/E633331-43).

⁶ Not traced.

⁷ Not printed (9037/E633344-50). For the text see the *Reichsanzeiger* of Sept. 11, 1934.

ment until after it has come into force, regardless of whether the goods were delivered before or after it came into force. How these claims are to be treated is still undecided and depends on the amount of foreign exchange received.

Nor is it at present known in detail how the New Plan will affect the imports from the various countries. The general directives governing this are known to some of the Missions from our telegram of August 25, 1934.⁸

Further information follows.

By order:
BENZLER

⁸ Document No. 175.

No. 208

8648/E805607

Memorandum by an Official of Department II

BERLIN, September 13, 1934.

II Oe. 2513.

Minister von Papen telephoned me today immediately after Lieutenant General Muff's visit¹ in order to discover how far the Führer's various instructions regarding the dissolution of the Kampfring, of the Austrian Legion, etc.² had in the meantime been carried out, and whether a date had already been fixed for the interdepartmental meeting agreed upon in Nuremberg (cf. express letter No. II Oe. 2512 of September 13 from the Foreign Ministry to the Reich Ministry of the Interior).³ I told Herr von Papen that the date had not yet been fixed but that we had this very day urged that the date should be arranged.

Thereupon Herr von Papen told me that he was now going to discuss with Reich Minister Hess personally the execution of the instructions which the Führer had given in Bayreuth,⁴ and that he would urge that these instructions be carried out quickly. He would also refer to the matter when speaking with the Führer and Chancellor today.

HÜFFER

¹ No record of this visit has been found.

² See documents Nos. 149, 165, 173 and 183.

³ See document No. 116, footnote 10.

⁴ See document No. 134.

No. 209

8921/E624468-70

The Chargé d'Affaires in Italy to the Foreign Ministry

I 1064

ROME, September 14, 1934.

Received September 15.

IV Rd. 4510.

POLITICAL REPORT

Subject: The Memel dispute.

With reference to my telegram No. 219 of September 13.¹

As already reported by telegram,¹ I have recently again raised and pressed more vigorously with the Foreign Ministry our complaints about events in the Memel Territory. In my conversation with Signor Suvich, as well as with a number of experts, I have gained the impression that the Italian Government are exercising a certain amount of reserve in the matter and wish to avoid any hasty action, but that, on the other hand, they are clear as to their responsibilities as a guarantor Power and are also determined to oppose obvious Lithuanian violations of the Statute.² That they display no special fervour is largely due to our relations with Italy having grown cool, which emerges more or less prominently over all questions in international affairs where we are dependent on Italian support in obtaining a settlement. Apart from this, I do not think that the Italian Government can be made solely responsible for the slow tempo in which the guarantor Powers are dealing with the German complaints. The other signatories have, as we know, also been very backward in displaying the desired initiative so far and have made empty excuses in reply to our representations. Our complaint that the Government are treating the case more as an interesting legal dispute than as a political issue of great consequence is repeatedly met here with the explanation that the political importance of the matter is fully realized, but that any intervention must be preceded by a complete elucidation of the legal position. Therefore, we are told, Italy favours the establishment of the facts beyond all doubt and a thorough legal "buttressing" of the action to be taken in Kovno. This is held to be all the more necessary since it may be assumed with considerable certainty that the dispute will go before the Hague Court of Arbitration. At all events Italy will, we are told, advocate this course should the Lithuanian Government, as appears likely, pay no attention to the representations of the guarantor Powers. It is known here that the British Government are more inclined to

¹ Not printed (8921/E624454).

² See Editors' Note, p. 137.

submit the case to the League of Nations for decision. It is only possible to utter an urgent warning against doing this, which would entail the Memel dispute degenerating into a political intrigue of uncertain outcome, given the present international constellation. It would be in Germany's interests to leave the League of Nations out of the picture and entrust the settlement of the dispute to the Court of Arbitration, whose verdict must again place the Lithuanians in the wrong.

As to setting the date for the *démarche*, Signor Quaroni told me that now that British approval had arrived (yesterday) it would certainly be "within a short time". He could, however, not bind himself to saying precisely how soon. Earlier, Signor Suvich and his *Chef de Cabinet*³ had expressed themselves in similar terms. I shall raise the matter of our claims with the Foreign Ministry at every available opportunity unless, contrary to expectation, a *démarche* in Kovno should be embarked upon in the immediate future.

SMEND

³ Baron Aloisi.

No. 210

9190/E646487-91

The State Secretary to the Embassies in Great Britain, France, Italy and the Soviet Union, and the Legation in Poland

Telegram

- | | |
|-----------------------|--------------------------------------|
| (1) To London No. 292 | BERLIN, September 15, 1934—5:00 p.m. |
| (2) To Paris No. 480 | e.o. IV Po. 6551 Ang. I. |
| (3) To Rome No. 282 | |
| (4) To Moscow No. 179 | |
| (5) To Warsaw No. 184 | |

For information and language to be held.

The Polish move in the minorities question is viewed here as follows:

Although Beck has not formally given notice to terminate the Minorities Treaty as such, but has only refused further cooperation with international bodies, his move practically amounts to a paralysing of the system for the protection of minorities.¹ The other States with obligations under minorities protection treaties will probably also in some way join in the Polish move. The consequence will be that about 35 million persons belonging to various minorities, with their cultural institutions in the various countries concerned, will be robbed of all international protection and be exposed to the arbitrary actions

¹ For Beck's speech on Sept. 13 see League of Nations: *Official Journal*, Special Supplement 125, pp. 42-43.

of their Governments. This will give rise to a serious problem in European politics. Regulations for the protection of minorities were provided for in the treaties of 1919 as a supplement to the territorial settlements made at that time. This applies particularly to the German-Polish frontier, as is shown in Article 93 V.V.,² the preamble to the Protection of Minorities Treaty,³ and the well-known letter from Clemenceau to Paderewski of June 24, 1919.⁴ Obligations to protect minorities were undertaken by new States in return for the acquisition of new territories, so that when these obligations have been cancelled the whole territorial question will in fact be re-opened.

We must emphasize this point of view in diplomatic conversations but, on the other hand, we must of course bear in mind that the question of revision cannot in fact be raised now. It is therefore important for us so to adjust our attitude that we leave open the future conclusions to be drawn from the abolition of the minorities protection and do not prejudice them.

Further, we must take care that the discussion does not take the form of a German-Polish dispute but that the matter appears to be a question of general European politics.

Thus we could point out that we do not feel our direct relations with Poland to be affected by the Polish move. We realized long ago that the guarantee of the League of Nations for the protection of minorities was in fact worthless to us, and by our withdrawal from the League of Nations we renounced all claim to make use of this guarantee. This, however, does not in any way alter the principle involved in the Polish move and its connexion with territorial questions.

In these circumstances we must place the main emphasis on the fact that the League of Nations, which had already completely failed in the disarmament question, has now had the ground cut from under its feet in the important matter of the minorities. We shall follow with great attention the way the League of Nations, and, above all, the former main allied Powers as signatories of the Protection of Minorities Treaties, deal with the problem and do justice to their responsibilities. The declarations made by Simon, Barthou and Aloisi in Geneva,⁵ certainly sound very forceful, but it is not impossible that it is only a matter of stage thunder there, and that the League of Nations, in the usual Geneva fashion, will in some way or another finally accept the *fait accompli* created by Poland. Faced with such possibilities we

² i.e., Article 93 of the Treaty of Versailles. This provided for the conclusion of treaties between Poland and the Principal Allied and Associated Powers to protect the interests of minorities and secure freedom of transit and equitable treatment of the commerce of other nations.

³ See document No. 8, footnote 6.

⁴ For the text see *B.F.S.P.*, vol. 112, pp. 225-231.

⁵ For these statements made on Sept. 14 see League of Nations: *Official Journal*, Supplement 125, pp. 46-50.

must continually try—without explicit outbursts against Poland—to place the responsibility firmly on the League of Nations and the Signatory Powers.

For your personal information only I would add the following:

On the 13th of this month the Polish Minister, on instructions from his Foreign Minister, stated that relations between the Polish Government and the German minorities would undergo no change on account of the Geneva move, and that the Polish laws concerning minorities and their equality of rights in the Polish State would remain in force. I replied that this statement could not satisfy us, as our practical experience in the question of the protection of the German minorities in Poland had shown that the Polish laws had proved themselves to be inadequate in this respect. The Minister further stated that the notice of termination given in Geneva did not extend to the Upper Silesian Agreement⁶ which was based on reciprocity.

I accepted the Minister's statements while expressly reserving a statement by the Reich Government as to their views, but pointed out in the manner indicated above, the connexion between the protection of the minorities and the territorial question, and the seriousness of the Polish move.⁷

BÜLOW

⁶ i.e., the Convention between Germany and Poland for Establishing a Conventional Régime in Upper Silesia, signed at Geneva on May 15, 1922; for the text see *B.F.S.P.*, vol. 118, pp. 365-579.

⁷ In this memorandum on this conversation with Lipski, dated Sept. 13 (2945/575946-47), Bülow recorded that Lipski also stated, on Beck's instructions, that energetic propaganda was being made in Geneva in favour of the Eastern Pact, but that Poland's attitude was unchanged.

No. 211

L432/L123939

The Chargé d'Affaires in Great Britain to the Foreign Ministry

Telegram

No. 266 of September 17

LONDON, September 17, 1934—7:56 a.m.

Received September 17—9:10 p.m.

VI A 3990.

Further developments in the conflict within the Evangelical Church are being followed here with close attention and unmistakable anxiety. Yesterday's events in Stuttgart, Munich and Nuremberg¹ are widely

¹ The *Land* Evangelical Churches of Württemberg and Bavaria were resisting the transfer of their legislative authority to the Reich Church. On Sept. 14 Bishop Wurm, head of the *Land* Evangelical Church of Württemberg, was suspended from office by Reich Bishop Müller, who appointed an acting bishop, a step which Bishop Wurm refused to recognize. In consequence disturbances broke out in Bavaria and Württemberg on Sept. 16.

reported in today's press, in which the demonstrations of loyalty by the crowd protesting against the National Socialist measures for the Administration of the Church are given special prominence. I consider it my duty to draw your attention to the very serious effect on the atmosphere here which has been caused by the reports of the alleged intervention of the police and Party authorities during these incidents.

BISMARCK

No. 212

8115/E580835-36

Minute by an Official of Department II

BERLIN, September 18, 1934.

zu II Vat. 1082¹ Ang. II.

The annexed proposals and accompanying explanation,¹ agreed between the Holy See and the German Hierarchy, of amendments to the draft agreement, drawn up with the Bishops on June 29,² regarding the application of Article 31 of the Reich Concordat³ (II Vat. 768), were handed to Ministerialdirektor Buttman yesterday by Bishops Bares and Berning. At a conversation with Major (ret'd.) von Detten, the Head of the NSDAP Department for Cultural Peace [*Abteilung für kulturellen Frieden der NSDAP*], which took place in Ministerialdirektor Buttman's office today, it was agreed that the negotiations would not be resumed on a large scale as at the end of June, since at that time the agreement which had then been reached was made known in a communiqué⁴ agreed with the Bishops. Here I, for my part, mentioned the serious resentment which had been caused in the Vatican by the statement, made at the time by the representatives of the Party, that the agreements reached between the Government and the Holy See were not necessarily binding upon the Party as such. I pointed out that this statement was also being used against us in the Catholic press abroad (the *Reichspost*⁵ of September 15). Herr Buttman asked Herr von Detten first to obtain, in inter-office discussions with the leaders of the Party organizations concerned and particularly of the Labour Front and the Hitler Youth, their views on the relevant proposed amendments. Herr von Detten will inform the Reich Ministry of the Interior of the outcome as quickly as possible. If necessary the Reich Ministry of the Interior will then obtain a decision from the Führer.

¹ Not printed (8115/E580820-30).

² See document No. 50, footnote 3.

³ See vol. I of this Series, document No. 371.

⁴ See document No. 50, footnote 4.

⁵ The chief Catholic newspaper in Austria.

It is generally agreed that, in view of the Saar plebiscite, it will if possible be desirable to reach agreement with the Bishops before the Cardinal Secretary of State leaves for Buenos Aires on September 23,⁶ since otherwise this unpleasant state of suspense will be prolonged until at least the middle of November (the Cardinal returns from South America on November 12).

At the coming negotiations the main difficulty will in all probability lie in the demand, on page 2 of the proposed amendments, that the former Catholic occupational associations should be incorporated bodily in the Catholic Lay Apostolate. My suggestion that it should be considered whether an arrangement similar to that in Italy would not be possible, was approved.

Ministerialdirektor Buttman will keep me informed of further developments.⁷

MENSHAUSEN

Postscript

BERLIN, September 19, 1934.

I have today, by the attached communications,⁸ informed Ministerialdirektor Buttman and Major von Detten in detail about how the difficulties with the Church in Italy, at one time almost identical, were settled, and about the organization of Catholic Action there.

MENSHAUSEN

⁶ Cardinal Pacelli was Papal Legate to the Eucharistic Congress held at Buenos Aires Oct. 10-15.

⁷ Lammers and Hess were informed of the enclosure to document No. 195 and of the developments recorded in the document here printed in communications of Sept. 18 signed by Köpke and Neurath respectively (8115/E580831; 32).

⁸ Two letters to Detten and one to Buttman of Sept. 19 (8115/E580833-34; 37-44) provided material on the agreements reached in Italy in September and October 1931.

No. 213

3241/702388-90

Memorandum by the Foreign Minister

BERLIN, September 20, 1934.

RM 1064.

I asked the Reich Bishop to call on me today and told him the following:

I was observing with increased anxiety the way in which he and his organizations were trying to bring about the unification, desired by us all, of the Evangelical Church in Germany. I was leaving completely out of account the disquiet and agitation which this had caused amongst the members of the German Evangelical Church. What I could not ignore, however, was the effect his methods had had on the Evangelical Christians abroad, especially in Britain, America and

Scandinavia. As a result of the action taken against several German Evangelical *Land* Churches, feeling in these circles, in conjunction with the hostile attitude to the German National Socialist Government which in any case prevailed abroad for other reasons, had worsened so much as to be no longer reconcilable with Germany's foreign policy. While, in the past, these circles had nearly always felt some sympathy for Germany and had also had a certain amount of understanding in the matter of the Jews, the most recent events in Hanover, Württemberg and Bavaria¹ had rendered them entirely hostile to us and to the National Socialist Government. All the reports from our Missions abroad² were unanimous in their anxiety about this development. I must tell him quite frankly that it was not admissible that measures taken by any kind of Church institution should jeopardize the whole of the Reich's policy and upset the work of reconstruction. I must ask him, as the Reich Bishop, to realize the significance of his utterances and of their effect abroad. If, as he had for example done in Hanover yesterday,³ he stated publicly that his aim was the establishment of a German Church independent of Rome, I could only say that such statements from his own lips were liable to turn the whole plebiscite in the Saar to our disadvantage. It was clear from today's press comment both in the Saar and elsewhere abroad that these words were being construed as a challenge to Catholicism.

The Reich Bishop thereupon explained that his speech had been quoted incorrectly. He had never used the words "independent of Rome" in this context but had merely said in the course of his address that Luther had at one time had the establishment of a German Church independent of Rome in mind. The version of the report given by DNB on September 19 was therefore completely misleading.

I then told him in that case I must ask him immediately to make a statement of this kind personally and publicly, although I was fully aware that the effect of such a statement could only be limited.

The Reich Bishop promised to do this⁴ and at the same time complained about the way in which the reports about his statements were being drafted in the Propaganda Ministry, whereupon I replied that he should on each occasion be shown these reports before publication.

¹ See document No. 211, footnote 1.

² See document No. 211.

³ In a speech at Hanover on Sept. 19 the Reich Bishop had spoken of "one State, one Nation, one Church" i.e., a national Church divested of denominational differences.

⁴ On the evening of Sept. 20 Reich Bishop Müller issued a statement in which he said: "In some newspapers it is asserted that by my utterances at Hanover I declared war on Catholicism; such an interpretation is contrary both to the wording of my speech and to my own desire. I merely declared that Luther had the intention of creating a Church free from Rome. In Germany we do not want a fight against the Catholic Church. On the contrary, I take the view that the two great Christian Churches have not to work against each other, but have a common task—namely, to devote all the religious and ethical values of our confessions to the education of the German people." (See *The Times* of Sept. 21.)

At the end of the conversation I informed the Reich Bishop that I had been instructed by the Reich Chancellor⁵ to tell him the following: If he did not succeed in bringing about the unity of the Evangelical Church by peaceful means, and if he were to make any more speeches like the Hanover one, he would in future no longer receive the support of the Reich Chancellor, who would have finished with him once and for all.

When I remonstrated with him about the effects of his methods, the Reich Bishop confined himself to blaming incorrect reporting and the refractory conduct of the Evangelical clergy for the disquiet and agitation which had arisen both amongst the members of the German Church and outside Germany.⁶

V. N[EURATH]

⁵ No record of such instructions has been found.

⁶ A copy of this memorandum was sent to Lammers with the request that it be submitted to Hitler (L434/L124716-18). A minute by Lammers of Sept. 26 (L434/L124719) stated that the Führer was informed.

No. 214

6615/E499182-87

The Ambassador in France to the Foreign Ministry

A 4056

PARIS, September 20, 1934.

Received September 26.

IV Ru. 5161.

Subject: France and Russia.

The admission of Soviet Russia to the League of Nations has not had an enthusiastic reception here.¹ Not only have those who are openly opposed to a *rapprochement* with Soviet Russia made the events at Geneva a pretext for further severe criticism of the policy of the Government, but even those who have been foremost in defence of the plan of coming to an understanding with Moscow have been unable to bring themselves to approve in all respects. They sound much more subdued than before; it almost appears as though, now that they have achieved their desires or at least a first important stage towards them, they have become alarmed at their own courage. This group had envisaged Russia's reception in Geneva quite differently, and certainly do not find it pleasant to think of France featuring in the eyes of the world as the godfather who held the Soviet infant over the baptismal font, and as thus being primarily responsible for those changes in the policy of the League of Nations which may be expected to result from the accession of Russia.

¹ On Sept. 17, 1934, the Sixth Committee of the League of Nations had decided by thirty-eight votes to three with seven abstentions to recommend the Assembly to admit Soviet Russia. See document No. 189.

Naturally there is nothing like a change of front under way here. The broad outlines of French policy over Russia are nevertheless approved by the public, for all the prospect of sitting beside a Bolshevik partner in the Council of Nations does not meet with unalloyed rejoicing; nor have the proclamations of the Communist *Humanité* (the sale of which has very recently been prohibited in Morocco and the French Protectorates because incidents there have been markedly Communist in character) that Bolshevik delegates will always remain Bolshevik delegates, i.e., representatives of the proletariat, the real overlords, at all contributed to heightening enthusiasm any more than did the *Izvestia* pronouncements of September 17² last.

People try to overcome their moral or sentimental scruples, which undoubtedly persist, by assuming that Soviet Russia is undergoing an inner change in the sense of turning away from the Communist revolutionary conception of international affairs and that in place of revolutionary mysticism there is gradually emerging a certain understanding of political realities, and that Russia, whether or not she wants to, will slowly develop into a capitalist State again. But at bottom there remains the distrust of Moscow's international activities. Memories of the world revolutionary aims of the Third International, of the religious persecution, of subversive Bolshevik agitation, and of the whole tragedy of Communist actions during the past fifteen years will awaken again the moment that Soviet Russia enters the League of Nations in Geneva.

That the French Government, and with them the majority of the public, are so obstinate in playing the Russian card, despite these scruples and in disregard of the powerful opposition formed by all the right-wing parties and a section of the General Staff, as also in disregard of the total opposition to any credits for Russia displayed by those responsible for the administration of French State funds, such as for instance the Governor of the Bank of France,³ must be attributed to the decisive influence of political considerations. M. Barthou only hinted at such considerations in his speech at Geneva⁴ when he asked: "If you have sent Russia away, what will happen? Where will you drive her to? Down there, against Europe."

Paris is less discreet than is M. Barthou in Geneva. Here people say straight out that the advantage of closer contact with Russia lies in the possibility which such contact provides of ultimately parting Russia from Germany, preventing the resuscitation of the Rapallo

² *Izvestia* had commented that it must not be forgotten that peace depended on the strength of the U.S.S.R. and the Red Army, and that the interests of peace required that both be kept as strong as possible.

³ See document No. 57, footnote 4.

⁴ Speech delivered in the Sixth Committee of the League of Nations Assembly at Geneva on Sept. 17. The quotation is in French in the original. See the League of Nations: *Official Journal*, Special Supplement No. 130 (Geneva, 1934), pp. 21-24.

Treaty,⁵ widening the gap between Russia and Germany, preventing a resumption of relations between the Reichswehr and Soviet Russia, and especially depriving the Reichswehr of the stockpile of Russian raw materials which Soviet Russia could become in the case of war. Any ally is welcome to France who can afford her an increase of strength against Germany and above all a new soothing remedy sure to provide fresh reassurances against her hysterical fears of her Eastern neighbour. For French policy the alpha and omega is not Russia but Germany. Since M. Herriot's visit to Russia in the late summer of last year,⁶ this political objective has overshadowed all else; for the great majority of Frenchmen a Franco-Russian reconciliation is equivalent to a German-Russian estrangement. M. Herriot told me a few weeks ago, on the occasion of one of the many talks we have had about the German-French problem, that France represents the present, Germany the future; against that future France must protect herself with all conceivable means. My efforts to persuade him that France and Germany both in the present and in the future could work to a common programme were of no avail. He feared the dynamism inherent in the German people, and severely condemned the form in which it had manifested itself in the years 1933 and 1934, and he compared it with the desire of the French people for peace and quiet, in other words, their desire not to be disturbed in their present state of saturation. In present day conditions he is quite incapable of recognizing the possibilities inherent in direct cooperation between the two countries for the political future of Europe. But it is not Herriot's attitude that is of decisive importance; it is the fact that he is typical of the average Frenchman of Radical-Socialist views, fanatical in defence of republican ideas, a man who will turn over a franc piece four times before he spends it, whose reasoning, in all questions which arise both in daily life and in politics, is purely individualist and egoistic, who is always suspicious and, above all, holds that the State is there for his benefit, but not he for the State's. His attitude on this last point has created the fundamental difference between him and the new German idea of the duty of the citizen to his State, a difference which it will probably never be possible to bridge. It is the voice of just this category of Frenchman which has, in the end, again and again decisively influenced the course of French domestic and foreign policy. The average Frenchman therefore approves the policy adopted by his Government towards Russia, despite all his good bourgeois scruples and his rejection of Communism, because he sees in this policy a factor providing security against Germany, especially the new Germany, and because he never regarded the alliance with Poland as altogether conducive to security.

⁵ Signed by Germany and Russia on Apr. 16, 1922. For the text see *B.F.S.P.*, vol. 118, pp. 586-587.

⁶ See vol. I of this Series, document No. 439.

This is why the Radical-Socialist newspapers do not sound particularly disappointed at the Polish divagations. They are getting over it the more easily because they are quite convinced that better security has been obtained from Russia instead.

One would therefore not be wrong in thinking that the graph-line of Franco-Russian relations will for some time be an ascending one. Temporary setbacks, which might from time to time arise in solving difficulties of an economic and financial nature (e.g., the question of opening credits, satisfying holders of Russian pre-war loans etc.), will not in any way alter this.

The political opponents of M. Barthou will be particularly satisfied. They will find with pleasure that he has not achieved the great personal success to which he aspired, but that, on the contrary, he has only reached his goal with the greatest effort, while the number of his political opponents has increased. In their sub-conscious minds, however, even the opponents of Barthou and of the Soviets will be agreed that at least one goal has certainly been reached: the creation of a new, and considerable, element of security against Germany.⁷

KÖSTER

⁷ This document is marked: "The Chancellor is informed. L[ammers], Oct. 11."

No. 215

8115/E580848-50

The Director of Department II to the Embassy to the Holy See

Telegram

No 52

BERLIN, September 21, 1934—3:50 p.m.

Drafting Officer:

zu II Vat. 1083¹ Ang. I.

Senior Counsellor Menshausen.

You should make the following preliminary oral reply to the Cardinal Secretary of State with reference to his Note of September 2.

To their regret the Reich Government have gathered from the Note that, in view of reports and expert opinions submitted by the Bishops, the result achieved on June 29² in exhaustive negotiations between the representatives of the Hierarchy and the Reich Government regarding the application of Article 31³ has caused the Holy See to raise a number of objections which, in the opinion of the Holy See, necessitate a resumption of the negotiations. Although the Reich

¹ Not printed (8115/E580846); this was telegram No. 77 of Sept. 18 from the Ambassador to the Holy See, which commented upon the Cardinal's Note of Sept. 2 (enclosure to document No. 195).

² See document No. 50.

³ Of the Reich Concordat. See vol. I of this Series, document No. 371.

Government believed that, after reaching agreement with the representatives of the Hierarchy, as was made known in an official communiqué approved by the latter, they could regard the negotiations as concluded, nevertheless, in order to furnish fresh proof of their sincere desire for an understanding, they immediately entered into negotiations based on the proposed amendments which had meanwhile been submitted to the Bishops. Unfortunately, difficulties have arisen in this connexion, especially regarding sports in Catholic youth organizations as well as the incorporation of occupational associations into Catholic Action, and it has so far not been possible to overcome these difficulties in discussion. Like the Bishops, the Reich Government are still desirous of reaching early and final agreement. However, they must at the same time refuse to accept the responsibility for the delay which arose after the result of June 29 through subsequent consultation among all members of the Hierarchy.

KÖPKE⁴

⁴ A handwritten cover note (8115/E580847-47/1) reads: "For Kotze. Immediate. I do not think it necessary that the Foreign Minister should sign the instructions, but I would suggest that you submit them to the Foreign Minister for his information or for his approval. Köpke, Sept. 21." Marginal note: "Submitted to the Foreign Minister. Ko[tze], [Sept.] 21."

No. 216

8115/E580851

The Deputy Director of Department II to the Embassy to the Holy See

Telegram

IMMEDIATE

BERLIN, September 21, 1934—8:25 p.m.

No. 53

zu II Vat. 1083¹ Ang. II.

With reference to our telegram No. 52 of September 21.²

In yesterday's conversation with the three delegate Bishops, Ministerialdirektor Buttman informed them that the Reich Chancellor, who on the whole approved the agreements of June 29, had described as too extensive the demands in the proposed amendments³ regarding sports in Catholic youth associations and the incorporation of occupational associations in Catholic Action. The Reich Chancellor had, however, expressly stated that the Concordat⁴ and the provisions for

¹ See document No. 215, footnote 1.

² Document No. 215.

³ See document No. 212, footnote 1. The proposals regarding sports distinguished between physical education and organized sports, which were matters for the State, and recreational activities such as gymnastics, swimming and hiking etc., which were to remain within the sphere of the Catholic youth organizations. Examples of the occupational organizations which were to be incorporated in the Lay Apostolate (Catholic Action) were associations of workers, officials, merchants, domestic servants etc.

⁴ See vol. I of this Series, document No. 371.

its application were binding on the Party too. The public statement⁵ which the Reich Chancellor had, for his part, promised the representatives of the Hierarchy, would be made as soon as final agreement had been reached and had also been approved by the Holy See.

It will probably not be possible to resume negotiations with the Bishops before the middle of October in view of the fact that the Reich Chancellor is going on leave. In the meanwhile the Reich Government will prepare a new draft of the text.

Please inform the Cardinal Secretary of State accordingly.⁶

RENTHE-FINK

⁵ See documents Nos. 91 and 147.

⁶ In telegram No. 78 of Sept. 22 (8115/E580852) Bergen reported that he had informed the Cardinal Secretary of State, who had expressed the hope that final agreement would be reached soon after his return; see document No. 212.

No. 217

8987/E630195-96

The Ambassador in Japan to the Foreign Ministry

Telegram

No. 114 of September 21

TOKYO, September 22, 1934—7:10 p.m.

Received September 22—5:00 p.m.

W 8198.

(1) The feelers which have repeatedly been put out by Harada, the confidential agent of the Manchukuo Government, as reported in telegram No. 98 of July 25,¹ have been dealt with by me in a dilatory manner in view of the pending negotiations by Reich Commissar Heye. The suggestion is now being repeated in a more urgent form. Heye has proposed to me that advantage should be taken of the officially announced visit by the Manchukuo Minister of Economics, Chang Yen-chin, to Tokyo in October of this year for a personal discussion on German-Manchukuo commercial relations.

(2) Fresh developments in German-Manchukuo negotiations on a limited private enterprise basis, which leave open the main problem of the ultimate shaping of reciprocal commercial relations, in the form of a treaty obliging the Manchukuo Government to take more German goods, make it appear doubtful to me whether our previous reserve in face of repeated soundings is any longer appropriate. In addition to this, there are:

(a) The forthcoming visit of the Barnby British Industrial Mission²

¹ See document No. 172, footnote 2.

² A mission, appointed by the Federation of British Industries and under the chairmanship of Lord Barnby, visited Manchukuo at the beginning of October 1934 to study conditions with a view to expanding British trade.

to Manchukuo, whose negotiations as announced threaten to endanger German commercial interests;

(b) the weakness of our trading position in respect of Japan which, in view of the threatened Japanese measures reported in telegram No. 110 of September 14,³ needs counterbalancing by solving the German-Manchukuo commercial problem;

(c) the harmful effect on the compensation negotiations, which are being conducted by Zores, of Heye's rejection of the offer of a visit which has been repeatedly made by the Minister of Economics, who is prepared to come to an understanding.

3. I therefore consider it advisable to get in touch, without obligation, with the Minister of Economics, should he himself express the wish to speak to me during his stay in Tokyo. Instructions by telegram are requested.⁴

Repeated to Peking by cipher letter.

DIRKSEN

³ Not printed (8889/E621315-16); in this Dirksen reported that as a result of Germany introducing quotas for imports of Japanese artificial silk Japan would be adopting retaliatory measures against imports from Germany, e.g., increased duties on drugs and chemicals.

⁴ Telegram No. 103 to Tokyo of Oct. 2 (8987/E630197-98) stated that there was no objection to a non-committal conversation with the Manchukuo Minister of Economics, but it should be stated that, as there could be no question of Government agreements, compensation transactions such as Zores was dealing with were the best way of promoting mutual trade between Germany and Manchukuo. In his despatch No. 4336 of Dec. 5 (8987/E630224-33), which reviewed the possibilities for German trade with Manchukuo, Dirksen reported that the projected meeting with the Minister of Economics had not taken place partly owing to his own illness and partly owing to the Minister's crowded programme.

No. 218

L432/L123949

The Chargé d'Affaires in Great Britain to the Foreign Ministry

A 3331

LONDON, September 22, 1934.

Received September 24.

VI A 4102.

Subject: Unfavourable repercussions of Reich Bishop Müller's speech at Hanover.¹

It has been repeatedly emphasized in the Embassy's reports during the last few months that the conflict with the Catholic Church and the dissensions within the Evangelical Church constitute the main bone of contention in German-British relations. While the importance attached to all other internal German questions, including the Jewish question and the treatment of political prisoners, has diminished, the

¹ See document No. 213, footnote 3.

Church conflict has come progressively into prominence and is increasingly alienating from us precisely those circles which would otherwise be most disposed to be sympathetic towards the New Germany.

In this connexion Reich Bishop Müller's speech at Hanover last Wednesday has had a positively disastrous effect; the subsequent correction of the original version of the published text and the omission of the word "ROME" in particular have merely emphasized the significance of the original text of the speech. The reactions of the British press to this speech are known to you in detail through the full reports of the Deutsches Nachrichtenbüro. A number of the leading newspapers, amongst them the *Morning Post* and the *Manchester Guardian*, deal with the Reich Bishop's speech in editorials; the collapse, reported simultaneously, of the negotiations with the Vatican for the implementation of the Concordat which had been resumed,² is providing the press with a welcome opportunity of drawing attention to the probable repercussions of the Church conflict upon the Saar plebiscite.

A number of press cuttings are attached.³

BISMARCK⁴

² The negotiations were interrupted on Sept. 21; see document No. 216.

³ Not found.

⁴ This document is marked: "The Chancellor is informed. L[ammers], Oct. 11."

No. 219

8921/E624505

The Chargé d'Affaires in Lithuania to the Foreign Ministry

Telegram

No. 52 of September 26

KOVNO, September 26, 1934—2:04 p.m.

Received September 26—4:05 p.m.

IV Rd. 4709.

With reference to our telegram No. 51.¹

As I learn confidentially, the Memel Notes communicated here individually by the diplomatic representatives of the Signatory Powers contain the following points in common: The Governments state that it is their impression that Lithuanian measures in the Memel Territory do not accord with the spirit of the Memel Convention,² and that the matter is therefore being referred to legal experts in Geneva for examination. Should it be established that violations of the Memel Convention are involved, the Governments will take appropriate

¹ Reference to telegram No. 50 of Sept. 24 (8921/E624503) was evidently intended; in it Mohrmann reported that the *démarche* by the Signatory Powers was to take place on Sept. 25.

² See Editors' Note, p. 137.

measures. In the British Note "serious steps" are envisaged in this event. The British representative orally stressed the serious situation above all.

Urbšys³ replied that the Lithuanian Government were convinced that these measures were necessary to counter National Socialist revolutionary activities in the Memel Territory and were consonant with the Hague judgement.⁴

Memel has been informed.

MOHRMANN

³ Juozas Urbšys, Director of the Political Department of the Lithuanian Foreign Ministry.

⁴ See document No. 67, footnote 4.

No. 220

9270/E657554-56

Memorandum by a Deputy Director of Department IV

BERLIN, September 26, 1934.

zu W 8184.¹

Rheinmetall's contract (for the delivery of 24 15-cm howitzers) has been secured in the face of very strong foreign competition from Schneider-Creuzot among others.² It will be camouflaged as a contract with the Solothurn ordnance factory.³ It can, however, hardly remain a secret that delivery will in fact be made from Germany, since Solothurn is said to be unable to produce 15-cm howitzers. The fact that the contract infringes the Law on War Material⁴ need not be discussed here. The granting of a Reich guarantee would amount to participation by the Reich in the transaction and would lead to difficulties in the event of a Japanese protest, which seems likely after the familiar warnings given by Japan on April 17 of this year.⁵ From the point of view of Chinese domestic policy, too, arms transactions with China always have their dangers; even though the business can be called legal inasmuch as it concerns deliveries to the recognized Central Government, in the event of a civil war the supply of arms to the Central Government could be considered a hostile act by their enemies and be made the occasion for propaganda in favour of a boycott. A Reich guarantee should therefore be refused on political grounds. [This also corresponds to the view of the Minister in Peking (cf. his

¹ Not printed (9270/E657557-61); this was a letter of Sept. 21 from the Deutsche Revisions- und Treuhand-Aktiengesellschaft [for which see Editors' Note, p. 22] enclosing an application, dated Sept. 20, from Rheinmetall for a Reich guarantee covering the delivery to China of 24 15-cm howitzers with 24,000 rounds of ammunition.

² See also Peking telegram No. 52 of May 17 in vol. II of this Series.

³ A Rheinmetall subsidiary in Switzerland.

⁴ This law of July 27, 1927, defined and prohibited the export and import of war material; for the text see *Reichsgesetzblatt*, 1927, Pt. I, pp. 239-242.

⁵ A reference to the so-called "Amau Statement", an unofficial statement issued by the Japanese Foreign Ministry on Apr. 17, 1934, defining Japan's policy towards the rendering of assistance to China by other countries; for the text see *Papers Relating to the Foreign Relations of the United States, Japan, 1931-1941* (Washington: Government Printing Office, 1943) vol. I, pp. 224-225. See also vol. II of this Series.

telegram No. 16 of April 21, 1934:⁶ "Politically we ought to return to our old policy of not supporting arms transactions, particularly in view of Japanese threats.")⁷

From the economic and financial angles, too, the deal is fraught with great risks. No security is being given; the guarantee of the Central Bank amounts to no more than the Minister of Finance's signature, since the bank is an organ of the Government. Since the transaction will run for over five years, a change of government has to be taken into account; and it is to be feared that a new Government may not take over the liability for payment for any military aid given to the present Government. In telegram No. 16 of April 21, 1934, the Minister in Peking stated that in his opinion the conclusion of such a contract would be a complete failure from the business point of view. Even the German military advisers in China do not all view the transaction with favour. According to a telegram from Minister Trautmann (No. 42 [sic] of May 17, 1934)⁸ Colonel General von Seeckt, too, does not seem to think much of the plans for large deliveries of artillery to China, of which the current contract represents the beginning.

Department IV therefore suggests that Rheinmetall's application for the granting of a Reich bond of indemnity for the transaction involving the supply of howitzers to China be refused for political reasons.

Respectfully submitted herewith to the State Secretary.⁹

ERDMANNSDORFF

⁶ Not printed (8205/E583100); in this Trautmann reported the request from the Solothurn company's representative for his cooperation in concluding a contract with Chiang Kai-shek, and added that representatives of Bofors, Schneider-Creuzot, Armstrong and Skoda were also interested.

⁷ The passage in square brackets has been deleted in the draft.

⁸ Actually telegram No. 52; see vol. II of this Series.

⁹ Marginal notes: (i) Typewritten: "First to II Abr. for countersignature." (ii) "In the case of the transaction with Greece (II Abr. 1997) [see document No. 124, footnote 2] the Foreign Ministry decided to waive its objections to a Reich guarantee. The case was, however, materially different, so that a refusal in respect of the present transaction is defensible and welcome. F[rohwein]." (iii) "Draft approved by Ministerialdirektor Meyer. F[rohwein], Sept. 20." The objections contained in paragraphs 1 and 2 were communicated to the Ministries of Economics and of Finance in a letter of Oct. 5 (9270/E657553) and repeated orally to Reichsbank Director Blessing at the Ministry of Economics by Voss, of Department IV, as recorded in his memorandum of Oct. 6 (7072/E526583-86).

No. 221

9241/E649957-59

The Foreign Minister to the Embassy in the United States

Telegram

URGENT

BERLIN, September 27, 1934—10:00 p.m.

No. 246 of September 27

zu W Rep. 240.¹

I. You should, at latest on September 29, present a Note to the Government in Washington to the following effect:

¹ W Rep. 240 was a draft of the Note to be presented in Washington, dated Sept. 26, 1934 (9241/E649955-56).

The German transfer problem has already been fully explained in several Notes from the German Government. In their most recent Note, dated August 1² last, the German Government asked for negotiations to be begun as soon as possible in order that this difficult question might jointly be solved. We have not as yet received a reply to this.

Since the last maturity the German foreign exchange situation has deteriorated further and to an alarming degree. The German Government have therefore been compelled to take far-reaching measures to protect the German economy and the slender German stocks of gold and foreign exchange.

The German Government have time and again shown their intention of paying to the utmost, most recently at the time of the last maturity on March 31 of this year when, despite the unprecedented depletion of the Reichsbank's gold and foreign exchange reserves, they paid the interest due in foreign currency. If they cannot again raise the foreign exchange to meet the present maturity, this may also be attributed to the fact that the satisfaction of German claims under the Settlement of War Claims Act [*Freigabegesetz*] was first hindered by administrative measures and then by the Joint Resolution of Congress on June 16 [*sic*], 1934.³

The German Government regret that they are unable, in view of the present German foreign exchange situation, to effect the payment on the war damage obligations due at the end of this month. They wish, however, to emphasize in this connexion that they respect the obligations under the German-American Debt Agreement and that they are ready at any time, if the Government of the United States believe that negotiations on the whole problem would be likely to produce practical results, to consider likewise during the course of such negotiations how the satisfaction of [American] citizens who have suffered loss may be ensured in the face of the familiar transfer difficulties.⁴

End of the Note.

II. Instructions for the Ambassador only: Should on this occasion the question be raised with you regarding payment of the American coupon of the Dawes Loan on October 15, you should state already now as your personal opinion that payment does not seem possible in view of the present German foreign exchange situation. On the other hand, should this point not be raised when you present the Note, you should take the earliest opportunity of airing, as unobtrusively as possible in authoritative quarters and as your personal opinion, the idea that we shall probably not be in a position to transfer the next American Dawes coupon at maturity.

² Not printed (8597/E603684-93); published in *Foreign Relations of the United States, 1934*, vol. II, pp. 380-385.

³ *United States Statutes at Large*, vol. 48, Pt. 1, p. 1019. The date should read June 18.

⁴ See also *Foreign Relations of the United States, 1934*, vol. II, pp. 497-498.

You should report as soon as possible by telegram on the reaction to these feelers.⁵

NEURATH

⁵ In telegram No. 361 of Sept. 28 (9241/E649960), Luther reported that he had that day delivered the Note to Hull, who had received it without comment. See also document No. 237.

No. 222

8648/E605608-11

Senior Counsellor Renthe-Fink to Counsellor of Embassy Erbach

STRICTLY CONFIDENTIAL

BERLIN, September 28, 1934.

Drafting Officer:

Sent by Courier on September 29.

Counsellor of Legation Dr. Hüffer.

II Oe. 2665.

DEAR PRINCE ERBACH: Our attention has naturally been specially focussed during the last few weeks on the treatment in the German press of events in Austria. Unfortunately, the question has been, and, of course, still is being very much aggravated by the attitude of the Austrian press towards Germany, and towards National Socialism in particular, especially in the semi-official paper *Die Reichspost*.¹ If in the directives which follow we have, despite this, taken a perfectly calm and objective attitude towards the attacks in the Austrian press, which have often been most immoderate, we have of course done so—and I would ask you to stress this repeatedly in the competent quarters—in the hope that Austria would at last reciprocate by banning once and for all this agitation against Germany and National Socialism in the Austrian press.

The competent Head of Department at the Ministry of Propaganda has issued to the German press, at a Press Conference held on September 17, the following strictly confidential directive on the treatment of Austrian affairs, which is based on the attitude taken up on principle by the German Government and in particular by the Führer and Chancellor.

1) Austria's relations with Germany must be considered as part of the general European situation and not merely in the light of specifically Austrian problems, that is to say, the press should not give as much prominence to discussion of every-day events inside Austria as it does to discussion of the big political problems of the Danube area.

2) In this connexion stress must, of course, be laid on the German Reich's fundamental interest in developments in the Danube area and on her right to have a say in the affairs of this region. It must be strongly emphasized that Germany cannot allow herself to be excluded

¹ See document No. 186, footnote 5.

from the Danube area and is prepared to collaborate in any solution acceptable to her in this respect.

3) All discussions which might be interpreted as one-sided interference by Germany in Austria's domestic affairs should be avoided; that is to say, the German press should refrain from giving the Austrian Government any advice on how to overcome their domestic difficulties. News on conditions inside Austria may be published as hitherto, but comment should take the foregoing points into account.

4) For the rest it remains to be seen how the Austrian press will react to German policy. On this will depend the political line to be taken by the German press in future.

I request you to treat the foregoing directives as confidential but none the less, as already mentioned, constantly and forcibly to stress with the Austrians the idea of reciprocity.

Yours etc.,

RENTHE-FINK

No. 223

8826/E614346-47

Memorandum by a Deputy Director of Department IV

BERLIN, September 28, 1934.

This morning the Gauleiter of Danzig, Herr Forster, sent, he said, by the Foreign Minister, called on me accompanied by the Vice President of the Danzig Senate, Herr Greiser, and a Sturmbannführer from Danzig whose name I did not catch. Herr Forster said that the reason for his visit was that he must now finally obtain foreign currency for Danzig, as otherwise Danzig's economy would collapse. He desired the transfer of the two million Reichsmark promised to Danzig. He had called this morning on Herr Schacht and Herr Dreyse, who had explained to him that the decision about the transfer of the currency lay with the Foreign Ministry. In order to clear up this misunderstanding, I telephoned immediately to Herr Dreyse who explained that the allocation of currency was exclusively a matter for the Commission which has been sitting since the 24th of this month under the chairmanship of Herr Hagemann.¹

I pointed out to Herr Forster that the decision concerning the two million Reichsmark requested by him had been made in negotiations between the President of the Danzig Senate, Herr Rauschning, and the competent authorities,² and I emphasized that the Foreign Ministry

¹ A Ministerialdirigent in the Reich Ministry of Economics.

² A note by Neurath of even date (8826/E614342-43) reads: "During the most recent conversations which the Finance Minister, the President of the Reichsbank and I had with the Führer, the latter decided that 500,000 Marks per month were to be transferred to Danzig. Rauschning agreed to this and it must be upheld." See documents Nos. 96 and 192.

alone could not decide on his application for the allocation of the currency in question. As soon as Herr Forster realized that the question he had raised could not be settled in the Foreign Ministry with the speed he had hoped for, he left, with the remark that he would now approach the Führer to obtain his decision.³

Respectfully submitted through the acting State Secretary to the Foreign Minister.

HEY

³ A note by Neurath of even date (8826/E614344-45) reads: "Forster told the Finance Minister today that he only wanted the subsidies promised to Danzig to be paid in marks into an account at the Reichsbank, so that it could be used to pay for Danzig's purchases in Germany. The Finance Minister and I have no objections to this."

No. 224

8825/E614257-58, E614235-54

Foreign Minister Neurath to the Führer and Chancellor

BERLIN, September 29, 1934.

zu IV Po. 6947.¹

DEAR REICH CHANCELLOR: The President of the Danzig Senate, Dr. Rauschnig, yesterday handed me the enclosed memorandum on the situation in Danzig at the end of September 1934, with the request that it should be forwarded to you for a decision as early as possible. It emerges from reports from the Consul General in Danzig² and from other information received that the differences between Gauleiter Forster and the President of the Senate, Rauschnig, have recently become more acute. The main reason for this is probably Forster's intervention in the administration of Danzig. This also emerges from Section IV (page 18) of the enclosed memorandum by Rauschnig.

In view of the difficult position of the City of Danzig, it appears to me necessary to put an end to the dualism between the Party leadership and the National Socialist Government of Danzig, and I would therefore propose that, as has moreover already been done once before, you should give Gauleiter Forster instructions to refrain from interfering with the executive.

President of the Senate Rauschnig is at present here and is staying at the Hospiz am Bahnhof Friedrichstrasse, Albrechtstrasse 8. He has asked to be received by you. If this should prove possible, I should consider it very desirable.

With the German greeting,

NEURATH

¹ Not printed (8825/E614234). This was the covering note of Sept. 28, 1934, under which Rauschnig forwarded the enclosure to this document to the Foreign Minister.

² See vol. II of this Series, letter of May 7, 1934, from Radowitz to Meyer. No subsequent reports have been found.

[Enclosure]

MEMORANDUM ON THE SITUATION IN DANZIG AT THE END OF
SEPTEMBER 1934*A. General Principles*

The potentialities of Danzig's politics and economy are greatly limited by her peculiar legal position. Every attempt to go beyond the limits imposed by treaties and by the constitution guaranteed by the League of Nations must lead to grave repercussions, if not to the loss of Danzig. Therefore the tasks of the political leadership of Danzig can at present only be:

(1) *In foreign policy*: To maintain her independent position as far as possible while avoiding conflicts with Poland and the League of Nations. It would be pointless to attempt a basic alteration of the Danzig Statute³ at present, since the situation in the Reich has not yet arrived at the right stage for this. To allow any hint of such a thing to become public would mean a weakening of the present position by reason of doubts as to the integrity of the policy which is at the moment having to be pursued.

(2) *In domestic policy* our task must be to adapt the principles of National Socialism to the demands of the democratic constitution and party system, which at present cannot be abolished even by a constitutional majority. Every attempt even to approximate to developments in Germany leads, here too, to conflicts of the most serious kind, and in foreign policy is bound to result at the least in our being thrown upon Poland's good will.

(3) *In economics* it must be Danzig's task to maintain herself as far as possible from her own resources until the Reich is again in a position to support Danzig financially and provide a market for her products. To endanger or even to delay the arming and economic reconstruction of the Reich by demanding foreign exchange which is not extremely urgently required, cannot be in the interests of Danzig herself, who must inevitably be lost unless the Reich recovers its strength in the near future. Danzig herself must therefore temporarily suffer heavy economic blows, increased unemployment, the wasting away of her agriculture, etc., through an inevitable policy of deflation, in the hope that at the elections, which are to take place in two and a half years' time, a certain easing of the position will make itself felt. To this task

³ The instrument establishing the Free City of Danzig under the protection of the League of Nations, in accordance with the provisions of Article 103 of the Treaty of Versailles. It was signed by the States represented at the Conference of Ambassadors (France, Great Britain, Italy and Japan) on Oct. 27, 1920, was accepted by Danzig on Nov. 9, and entered into force on Nov. 15; for the text see *B.F.S.P.*, vol. 113, pp. 874-875. See also *Papers Relating to the Foreign Relations of the United States, 1919* (Washington, Government Printing Office, 1947), vol. XIII, pp. 253-256.

also belonged the absolutely necessary conclusion of the economic agreement with Poland, which took place on August 6, 1934,⁴ and which makes it possible for Danzig to hold out economically through her own resources and, indeed, for the first time creates the conditions necessary if Danzig is to run her own economy without support from the Reich, provided, however, that her internal and economic policy do not give Poland a cheap excuse for not keeping to the agreement.

(4) *In military policy* internal security, as well as the safeguarding of military honour in the event of foreign political complications, constitute the main aim of the limited rearmament which in itself exceeds the dimensions required by Danzig's policy. In this connexion the aspirations of the SA and SS must give way before the interests of the State Police [*Landespolizei*] which is the sole military formation.

In face of this principle all other aspirations, however justifiable, to imitate the Reich in constitutional and legal matters must give way; it would be useless, because legally impracticable; irresponsible, since Reich policy could be endangered by international conflicts originating prematurely in Danzig. Policy in Danzig must be restricted to what is essential and really significant, even at the sacrifice of prestige. Thus Danzig will have to impose on herself the most rigorous self-discipline. It is above all things necessary that State and Party should follow an absolutely uniform policy. Every objection raised by the Party to necessary Government measures must shake the confidence of the population and create mistrust of foreign policy, which in all circumstances should be presented as being both honest and straightforward.

B. *The Present Situation*

I. *Foreign Policy*

(1) *Poland:*

Poland is not allowing herself to be deflected in any way by her present relationship with the Reich from her systematic policy of safeguarding her national groups and her political claims in Danzig. We must resign ourselves to this for the time being, just as the Reich Government are doing over the measures taken against the German national groups in Poland. Danzig, like the Reich, must give way, and for her part must loyally carry out all treaties with Poland. In this connexion we refer to the repeated representations by Poland about attacks on Polish nationals in Danzig (in the past year over a hundred persons are alleged to have been ill-treated for neglecting to salute the Swastika flag) and about the administration of justice, the sharp Note concerning alleged sabotaging of the Danzig Minorities

⁴ See document No. 40, footnote 4.

Agreement,⁵ in which Poland threatened to cancel last year's Harbour Agreement,⁶ and finally to the remonstrances regarding the employment of Polish workers which was made possible by the formation of the Danzig Labour Front. Attention may also be drawn to the clear demand for a decision to be taken in regard to the political leadership repeatedly raised, and finally very brusquely repeated recently over the matter of the Gauleiter's Saar message.⁷ Attention must further be drawn to an article, dated September 14, 1934, in the *Kurjer Poranny*: "We expect President Rauschning to intervene" (in the school question).

Poland does not appear to reject altogether the possibility of turning against Danzig should the international situation favour this. In any case, if Poland were not bound by treaties, or if her rights in Danzig were endangered, she would proceed totally regardless of the Reich; such action would have the most disruptive consequences for Reich policy, and would entail a great loss of prestige for the Reich if it had to countenance measures against Danzig such as those taken against the German community in Memel.

In face of this clearly defined situation, the wish of the Party is to induce the Government to fulfil their Treaty obligations in the most niggardly fashion possible. (The remarks in the *Kurjer Poranny* are more or less correct.) The right, which the Gauleiter alleges is based on the Führer's express permission (which he proclaimed categorically in the beginning of September at a meeting of the Senate as relating also to the future), to assert publicly at all times the will of the population of Danzig "to return to the Reich", must be described as just as serious a disturbance of political relations as the attitude of the Senator for Education towards the implementation of the terms of the agreement of August 5, 1933.⁸ Unless the Danzig-Polish Agreements are most meticulously carried out by Danzig, the collapse of the whole hard-won system of agreements with Poland must ensue. Critical remarks by the Gauleiter at large Party gatherings about Danzig's policy towards the Poles, which cannot be refuted in any way by public statements to the contrary however frequently repeated, must prove absolutely disastrous seeing that Danzig's diminutive size makes secrecy impossible.

⁵ Polish protests are recorded in reports from the German Consulate General in Danzig of July 10 (M13/M000341-43), of Aug. 3 (M13/M000349-53), of Sept. 5 (M13/M000354-56) and of Sept. 28 (9081/E637784-87). For the Agreement relating to the Treatment of Polish Nationals and other Persons of Polish Origin or Speech in the Territory of the Free City, initialled on Aug. 5 and signed on Sept. 18, 1933, with the addition of one Article, see the League of Nations: *Official Journal*, October 1933, pp. 1157-1161.

⁶ For the text of the Arrangement concerning the Utilization of the Port of Danzig by Poland, initialled on Aug. 5 and signed on Sept. 18, 1933, see League of Nations: *Official Journal*, October 1933, pp. 1156-1157, and November 1933, pp. 1541-1545.

⁷ Not identified.

⁸ The Senator for Education was A. Boeck. For the Agreement see footnote 5 above.

Consequently, in spite of the gravest misgivings, and even although encroachments on Danzig's German community must certainly be expected, the policy towards Poland must be maintained so long as the position of the Reich does not permit of a change. Although unjustified claims may be refuted, the general policy of readiness to reach agreement must be maintained. The Government will be able to defend Danzig's position so much the better, the more loyally they themselves observe treaties and agreements and honour constitutional measures.

(2) *League of Nations:*

The question may be asked whether, in view of the inactivity of the League of Nations and the ineffectiveness of its decisions, Danzig could strike out on a policy of her own by which she could disregard the Council's decisions. Such demands have been raised by the Party in Danzig, or at least implied in suggestions for measures of domestic policy which violate the Constitution.

The question must be answered in the negative. Apart from the fact that the League of Nations would certainly wish to maintain its prestige *vis-à-vis* a small state like Danzig (whether by international police or elections, which are undesirable at present), such a procedure would mean surrendering a weapon unnecessarily at the present time, when Poland might be tempted to try to secure further rights in Danzig in addition to denouncing the Protection of Minorities Treaty.⁹ Rather does the maintenance of the independence of Danzig and of its German community require precisely at this present time a strict fulfilment of the terms of the Paris Conventions as a necessary counter-poise to Poland. Even should the League of Nations take no direct steps against Danzig, to disregard the Danzig Statute would be to deliver Danzig for good or ill to Poland. It should be remembered that in some questions of the most vital importance, intervention by the League of Nations Council has temporarily greatly relieved Danzig's situation (Westerplatte conflict).¹⁰ Any idea of this kind must therefore be rejected as completely mistaken.

The demands of the Party, however, to see carried out the aims which obtain in the Reich, namely for an authoritarian State, constantly clash most sharply with the duties allotted by the Council to the League of Nations Commissioner, namely to supervise the maintenance of the Constitution. An amendment of the Constitution is theoretically possible by a two-thirds majority. Apart from the fact that such a majority could not be achieved by fresh elections at present, the League of Nations would in no circumstances give its approval to the amendment of the Constitution on National Socialist lines at the

⁹ See document No. 8, footnote 6.

¹⁰ See vol. I of this Series, documents Nos. 52, 57, 59, 60, 74 and 82.

present time. It is possible that this may, at a later date, allow Danzig's policy to be steered in a new direction. For the present we will have to resign ourselves to the situation. Although considerably weakened by Germany's withdrawal and the lack of any active interest shown by the British *rapporteur*¹¹ in conditions in Danzig, the procedure of the League of Nations Council nevertheless remains a protection for Danzig and gives her the chance of political action. For reasons of foreign policy, therefore, the State must keep its domestic politics within the bounds laid down by the Constitution, if it does not wish to run grave risks, such as a large State might take but not a small State like Danzig.

II. *Domestic Policy*

These requirements in our foreign policy determine unambiguously and quite clearly what courses lie open to Danzig's domestic policy. It must unfortunately once again be stressed that the Party, with all its branches, does not appreciate and is apparently unwilling to appreciate these basic facts. This emerges, not only from its desire to take all the necessary steps towards becoming a totalitarian State like the German Reich, and even in some respects to out-do the Reich—as, for instance, by attempting the experiment of a corporative State—but also with particular clarity from a clumsy policy of terrorism against the other parties still existing in Danzig, which is calculated to achieve the exact opposite of its purpose. The only possible course for Danzig is to absorb these parties by a gradual process of assimilation and intellectual persuasion, as was attempted in the early days of the Government, at least as regards the Centre Party; but this method was abruptly dropped for one of repression towards the existing parties by using methods of terrorism, such as restrictions, insults and quarrelling, which have recoiled most heavily on the Party itself. The consequences of this, given the existence at present of an unchangeable democratic constitution, have been evident in a revival of parties which had already begun to wither, most noticeably the Centre Party amongst the Catholic population. It is necessary to point out most forcibly the danger of such a policy. Demands, which are being energetically pressed, for a ruthless domestic policy and for the suppression of the parties, can only be called highly irresponsible at the present juncture, not only in view of the defeat which Danzig may expect to suffer in November at the Extraordinary Meeting of the Council on the Saar question, but also in view of the considerable consolidation of the Party, which is undoubtedly to be expected. Complaints have already been received by the League of Nations Commissioner about the legal position of the Catholic section of the population,¹² a memorandum has

¹¹ Anthony Eden was *rapporteur* on Danzig questions to the Council of the League of Nations.

¹² See document No. 202 and footnote 2 thereto.

been received by the League of Nations Council about the Jewish section,¹³ and further complaints may be expected from the Marxist parties. Every suspension, whether of newspapers or of meetings, which is not fully justified, is bound at present to lead to the raising of the question of Danzig's legal position under the present Government.

(1) As a result of quarrels between members of the Hitler Youth and the Christian Youth, and of attacks on Catholic priests and other insults, very strained relations have arisen between what remains of the Centre Party and the State. The suspension for several months, last year, of the Centre Party's newspaper was followed by a very half-hearted endorsement of the Danzig Government's authority at a meeting of the Council in Geneva in January, where only the intervention of the British Foreign Secretary, Simon, and of Mr. Eden, prevented a defeat for Danzig.¹⁴ Any repetition of such a case before the Council of the League of Nations would mean a complete defeat for the State and could not fail to have the most disastrous domestic consequences, particularly for the Party. The Party's desire for ruthless action by the State against the Centre Party must therefore be categorically rejected. In this connexion it must be remembered that Poland is greatly interested in the Catholic question from the point of view of incorporating into the Polish community such Catholics as have no exact national status. (In Danzig a not inconsiderable part of the population is originally of Cassubian descent and, like the Upper Silesians, is not firmly rooted in its consciousness of German nationality.) Herein lie dangers which must not be underestimated, for a clumsy campaign against the Centre Party, from the moment that it could be represented as being a fight against the Church, would inevitably lead to a weakening of the German community.

(2) The same holds good for the Jewish question, where only the most serious reasons could justify suspension of newspapers and other political measures. Danzig's economy is dependent for its existence on the goodwill of the businessmen of the Polish hinterland, 85 per cent of whom are Jewish. A Jewish boycott lasting only a few months would, otherwise than in Germany, have the most serious repercussions on Danzig. The Government's policy has therefore from the first aimed at playing off the moderate, old-established Jewish circles against the radical elements from Poland. The Government therefore kept under their influence a newspaper, *Das Jüdische Danziger Echo*, which was not always quite loyal but which was roughly about as anti-Government as the National Socialist *Vorposten*. During my absence in Geneva the Jewish editor was arrested by the police on some trifling grounds and partly on false evidence, and in connexion

¹³ Not traced.

¹⁴ At a meeting of the League of Nations Council on Jan. 18, 1934; see the League of Nations: *Official Journal*, February 1934, pp. 137-141.

with this the Party demanded the suspension of the newspaper for some months. The National Socialist newspaper launched forth into attacks on the Government and indirectly on the President. The Government's executive body was subjected to an investigation by the Party and to proceedings for expulsion by the SA on account of alleged anti-National Socialist friendliness to Jews. To yield to the Party's wishes would have the most serious economic and political consequences for Danzig. A cutting from a statement by the Jewish Telegraph Agency is enclosed for information.¹⁵

(3) There is justification for the Party's desire to dissolve the rapidly growing Marxist workers' association (at present nearly 9,000 strong), to suppress the Marxist newspaper, and to take measures against meetings and coalitions, but, in view of Danzig's legal position, even this would only be possible if the Marxist members were guilty of activities clearly endangering the State. This cannot at present be proved against them. The Party in Danzig must itself take the blame for the course which developments among the working population have taken, since it has been busying itself with overmuch party machinery and parades and with making false economic promises and boasting, while, thanks to the entirely unsuitable and untrained persons who have done nothing but rush about with numerous cars and adjutants, it has failed in the sphere of social work proper, and is beginning to lose the confidence of the workers. These developments could have been countered if my proposal had been adopted for organizing the workers into a compulsory State trade union instead of forming them into a Danzig Labour Front on purely Party lines. It remains to be seen whether this neglect can still be made good. If the Party were prepared to give up their machinery, the position might still be retrieved on lines similar to that taken with the corporative system, which was recently replaced by Economic Councils.

III. *Economics*

The economic situation is characterized by the transfer difficulties as regards the payment of both the essential subsidies for balancing [the budget] allowed by the Reich and the quota of agricultural products and industrial goods for finishing taken up by the Reich. The balancing of the budget is not the only aspect of the situation in Danzig which should be considered, this could be achieved by measures of economy; but there is also the lack of foreign exchange which used to reach Danzig from the Reich and which served as cover for the Danzig currency. The cover, which has already fallen from 93 per cent to 68 per cent, must automatically fall further if foreign exchange is not obtained from other quarters. The situation in Danzig is basically

¹⁵ Not found, but presumably identical with a copy (M19/M000730) of a Jewish Telegraphic Agency report which had been printed in the *Nasz Przegląd* of Sept. 27, 1934.

different from that in the Reich, as in Danzig regulations for the control of foreign exchange are entirely out of the question owing to treaty obligations. The threat to Danzig's currency is all the greater because the measures for providing employment are now affecting the foreign exchange situation. My misgivings about the programme for providing employment, of which I had already informed the Party during the winter and which I also set forth at a ministerial discussion in April,¹⁶ have been fully justified. The suggestions, which, according to the Party leaders, were made by the Reichsbank, that a further fall in the foreign exchange and gold holdings should be accepted, must most definitely be rejected, even if we have to endorse the principle that the foreign exchange and gold backing of a currency represents reserves against times of emergency. Further draining away of gold (foreign currency for use as cover is at present held only in very small quantities) is in any case unavoidable because the measures for providing employment and the periodical withdrawals must continue. However, a panic caused by irresponsible gossip about a coming devaluation has resulted in further withdrawals and the conversion of bank balances into foreign currencies.

Danzig can indeed only remain independent if her economy, especially her exports and her trade with third parties, becomes prosperous again. This is the third factor in Danzig's critical situation. Without the economic treaties with Poland,⁴ which (although they have been criticized and cavilled at again and again by Party leaders ignorant of the circumstances) were indispensable and were only concluded at the eleventh hour, psychologically speaking, Danzig would now be in an almost hopeless position. The treaties, however, cannot be effective unless Danzig can compete not only in the Polish market but also in British markets and in those of northern States whose economy is based on the pound. Conditions in Danzig remain incomprehensible if this factor is overlooked. In order to obtain elsewhere the foreign exchange now no longer received from the Reich, and in order both to support her currency and to keep her economy viable, Danzig must either link her currency with the English pound, which would be a most natural measure since it is already embedded in the Danzig Constitution and would result in arousing some interest for Danzig in England, or she must reduce wages and salaries and the whole standard of living to the level of that obtaining in the northern countries and in England and Poland. It should be emphasized that it can never be merely a matter of reducing salaries and of economies in public spending; these only relieve budget difficulties—and that only once a year at best—and temporarily ease the strain on the revenue; it is much more a question of taking measures to adapt Danzig's economy generally to

¹⁶ The discussion took place on Apr. 18; see vol. II of this Series.

the conditions obtaining in the greater economic areas to which Danzig, by reason of her geographical situation and political obligations, at present cannot help but belong.

If the political leaders in Danzig have not the courage to follow one of the lines indicated, despite the unpopularity of the measures, it is hard to see how a most serious economic upheaval in Danzig can be avoided. My representations and proposals, including those I have made to the Reich Government, have therefore since last winter been to this effect. The situation in Danzig was discussed in all its gravity and in relation to the foreign policy to be pursued, at the meeting on April 18, 1934,¹⁶ under the chairmanship of the Führer's Deputy, Reich Minister Hess, which was also attended by the Reich Ministers Freiherr von Neurath, Count Schwerin von Krosigk, and Schmitt, as well as by State Secretary Reinhardt,¹⁷ Vice President Dreyse of the Reichsbank, and other persons. I asked at that time what measures should be adopted if the Reich could not transfer the budget subsidies and the proceeds of the quota sales. I pointed out that it would be very difficult to control the situation in Danzig if a decision were not made in good time. I put forward for discussion the two possibilities of devaluation (linking the gulden with the pound) and of reduction of salaries and wages. No decision was reached either on this or, in particular, on my further question as to whether, by means of a Cabinet decree, foreign exchange for the subsidies to Danzig could be made urgent and be secured before all other foreign exchange commitments. Reich Minister Hess, however, stressed the necessity for economies. I take this opportunity of pointing out that, even at that time, the Gauleiter, basing himself on certain entirely unfounded promises of constant support in foreign currency for Danzig in the spring, caused some extremely extensive measures for providing employment, such as building a theatre etc., to be carried out, a circumstance which has burdened the City of Danzig with very heavy financial obligations.

The deterioration of the foreign exchange situation in the Reich which followed soon after, compelled me, for reasons of loyalty to the Reich Government, to tell Reich Minister Hess that I myself had given up the wish to have the Cabinet decision put into effect. At the end of June, we were informed that the transfer of the funds promised for the budget was impossible and that the sale of the quotas and the transfer of the proceeds was doubtful.¹⁸ At the beginning of July, I made a report to the Führer and Chancellor of the German Reich, in the presence of Ministers Freiherr von Neurath and Count Schwerin

¹⁶ Fritz Reinhardt, State Secretary in the Reich Finance Ministry. The list of those attending the meeting of Apr. 18, 1934 (see footnote 16 above), does not include Reinhardt's name.

¹⁸ See document No. 40, footnote 1.

von Krosigk, as well as of the Gauleiter of Danzig, and put forward a programme on the basis of which Danzig had a prospect of overcoming her difficulties.¹⁹ The measures included subsidies from the German Reich, economies by Danzig, and, as a final point to be undertaken later, a devaluation of the gulden by linking it with the pound. The last point was to be further considered in agreement with the Reich Finance Minister after I had consulted with British Government authorities. I was justified in assuming that the programme then put forward, after being approved by the Führer, could be regarded by me as a definite basis for the measures to be taken (I expressly asked again, at the end of the interview, whether my proposals had found approval).

Unfortunately, as a result of irresponsible talk, not least in circles round the Gauleitung—the Gauleiter himself, through careless remarks at a foreign exchange office and in other places, demonstrably contributed in no small measure to the rumours—panic broke out in Danzig and led to considerable withdrawals of foreign currency and compelled both the Foreign Exchange Bank and the Government to deny in the strongest terms that any devaluation was contemplated. The success [of this denial] was doubtful. It was therefore necessary at once to take positive action to ease the situation. The only measures possible were the reduction of wages and salaries. The Gauleiter chose this moment to circumvent a definite decision by what might be described as a *coup de théâtre*, maintaining at the same time that the July programme had only been accepted conditionally. At an extraordinary meeting of the Senate he told the assembled Senators, in the presence of the President of the Foreign Exchange Bank, that the Reichsbank had promised to transfer, over and above the monthly 500,000 Reichsmark worth of foreign currency hitherto earmarked for Danzig for the payment of pensions, a total of two million RM in foreign currency. This promise has in the meantime proved to be an untruth which I must assume was deliberate.²⁰ In this connexion I would refer to the statement of Vice President Dreyse of the Reichsbank. Not only, however, were all arguments for a policy which took into account a possible further deterioration of the Reich's foreign currency situation in future thus demolished, but demands were even also made for "increasing the gold circulation" up to 5 per cent above the cover for the Zloty. Despite this, I announced reductions in wages and other economies in a broadcast immediately before my departure for Geneva, but on my return I found that the situation in Danzig had been exacerbated by speeches and instructions in the sense that, although certain measures, such as the voluntary renunciation of salaries of over a thousand gulden per month, had been demanded, generally effective

¹⁹ See documents No. 96 and footnote 1 thereto, and No. 192.

²⁰ See document No. 223.

[measures] could not be taken in view of the Saar plebiscite. The question as to what should be done about the export quotas to the value of about 35 million gulden hitherto disposed of on the German market at German prices, to offset which goods to the value of 15 million gulden at the very most have been imported from Germany—so that another 20 million gulden in foreign currency have been lost to Danzig's economy—has not been further dealt with in any way, although the Gauleiter has expressly made this his special province. Proposals, which I have put forward since the autumn of last year, that raw materials of certain categories, and semi-finished goods, should as a measure of relief be made available to Danzig in return for extra work as an indirect transfer of foreign exchange, were either put into practice without having been understood or else completely rejected.

Although, in Geneva, in numerous discussions with Mr. Eden and with representatives of the Foreign Office, I did not receive any particularly encouraging answer with regard to help for Danzig, the possibility of a link with the English pound was not excluded. In Danzig, on the other hand, the Gauleitung, having abandoned the programme laid down in July, have created such a confusion of wishful thinking and alarmist rumours, as a result of their constant and irresponsible gossip on the most confidential questions, that an absolutely clear and binding statement concerning policy on the most pressing of Danzig's problems, that is its economic existence, is now necessary and, in fact, extremely urgent. Danzig is faced with the problem of selling her agricultural produce on the world market instead of in the Reich, a problem which becomes daily more difficult to solve. Farmers have received no milk subsidies [*Milchgeld*] for months; the interim financing of other agricultural produce by the Bank of Danzig has become doubtful. The entire economy will be faced with disaster if there is a change of policy.

IV. *State and Party*

In conclusion the relations between State and Party in Danzig must be mentioned here. It is necessary to point out that the conditions in Danzig are not comparable with those in any similar town in the Reich. It is utterly intolerable both for the Constitution and for the safe execution of policy that elements having no authority whatsoever under constitutional law should, in fact, dictatorially determine policy, whilst another person, with no other resources than that of appeals to reason, must bear the whole responsibility for its enforcement. Any discussion of the above-mentioned problems must obviously exclude the idea that the Party and the National Socialist Government could possibly represent different political aims. It is quite conceivable that, up to a point, several cooks should share in making the broth. This must, however, in no circumstances be permitted to give rise to doubts in the minds of our opponents regarding the genuineness of our policy,

especially our foreign policy. It is absolutely wrong that measures in contemplation for the future, which will by then deviate from present policy, should be discussed in public in any way at present. This was continually the case during the discussions of Danzig's Polish policy, both before and after the conclusion of the treaties. It is not possible for the Party to dissociate itself from governmental measures either in exclusive discussions amongst the leaders or in larger public meetings. Just as the Government is obliged to agree with the Party on the policy to be adopted, so it is unthinkable that the Party should publicly criticize Government measures. Disagreement on political measures is bound to militate against loyalty, and has in fact done so. This is specially true of the administration, where continuous interference in the different branches is wrecking discipline and authority. Altogether there is such a lack of direction and, in consequence, such utter confusion here, especially as to whose leadership in economic and general policy is to be followed, that the most serious convulsions must be expected. A continuation of these chaotic conditions resulting from undefined powers, added to a policy of improvisation and vague hopes, must not only put the very survival of Danzig in doubt, but must also destroy the National Socialist Movement in Danzig, which may at any time have to stand the test of an election ordered by the Council of the League of Nations.²¹

²¹ Rauschning forwarded the following minutes, dated Sept. 29, to Neurath under cover of a note of even date (8825/E614255-56): "The Vice President and Deputy Gauleiter, Greiser, presented the following demands to me by order of the Gauleiter of Danzig, Forster:

I. (a) Suspension for several months of the opposition newspapers *Volksstimme*, *Volkszeitung*, *Danziger Echo*.

(b) Arrest of Catholic priests where there is evidence against them (especially Father Aeltermann, Meisterswalde).

(c) Expulsion of the editor of the Jewish newspaper *Danziger Echo*.

(d) Ruthless use of all powers which the State possesses to destroy the opposition parties by force.

(e) Dismissal forthwith of my immediate assistants, Streiter, Bechmann, Senatsrat Haag. Proceedings for expulsion are being taken by the Party and by the SA against Referent Streiter because of his alleged pro-Jewish conduct.

II. As regards policy, the Gauleiter rejects wage reductions. The difficulties in the sale of the quota are to be adjusted by the sale of Reich German products."

No. 225

8115/E580855-57

Foreign Minister Neurath to Prussian Minister President Göring

Drafting Officer:

BERLIN, September 29, 1934.

Senior Counsellor Menshausen.

Sent October 5.

[zu] II Vat. 1109.¹

MY DEAR HERR GÖRING: I enclose a copy of a letter from the Secret

¹ See enclosure.

State Police to the Commandant of the concentration camp at Lichtenburg regarding the spiritual care of persons in protective custody and guards in State concentration camps. A copy of the letter was forwarded to the Catholic priest at Torgau by the Camp Commandant's Office under date of September 14 and has been brought to the notice of the Nunciature here by the Archbishop of Paderborn.² The Nuncio³ has lodged a most vigorous protest⁴ against the contents of this letter, that is, against the following three points;

(1) The ban on auricular confession for Catholics in protective custody;

(2) the one-sided decision that a church service is to be held for the inmates every other week only, and

(3) the concluding passage which could only be understood as deriding Church institutions and customs.

With regard to (1) and (2), the Nuncio referred to the special guarantee of freedom in the practice of religion contained in the Concordat.⁵ In connexion with this he also drew attention to Article 28 of the Reich Concordat, the provisions of which deal with spiritual care in prisons.

With regard to (3), the Nuncio emphasized in great agitation that the priest who looked after the Catholic inmates of the Lichtenburg camp had never claimed any kind of remuneration for his visits as spiritual adviser and for holding Church services. The small remunerations which the assistant organist and the sacristan had received for their services had been approved by the Ministry for Religious Affairs [*Kultusministerium*] at the request of the camp authorities. The Nuncio has asked especially that the Secret State Police should arrange for an apology to be made regarding the remark, which was not only insulting to the priest concerned but also derogatory to the reputation of the Catholic Church and its officials.

I should be grateful to you, my dear Herr Göring, if you would give this matter your personal attention and enable me to give the Nuncio, as soon as possible, an answer calculated to satisfy him. I am most anxious, in the general interests of preserving peace, to meet the Nuncio as far as possible in a case like this where a complaint seems only too well justified, as he only makes complaints through diplomatic channels in really serious matters and indeed endeavours at all times to compose our differences.

FRHR. VON NEURATH

² Dr. C. Klein.

³ Mgr. Cesare Orsenigo.

⁴ A covering note by Menshausen dated Sept. 28 (8115/E580854) reads: "The enclosed copy of a communication from the Secret State Police was handed me by the Nuncio, who asked me to inform the Reich Minister of the Interior. The rest is clear from the related document [*Angabe*] (letter to Reich Minister Göring)."

⁵ In Art. 1; see vol. 1 of this Series, document No. 371.

[Enclosure]

8115/E580583

Copy

SECRET STATE POLICE
THE INSPECTOR
B. No. 34225—II 1 D

BERLIN, SW 11, July 24, 1934.
Received September 28.⁴
II Vat. 1109.

To the Camp Command of the State Concentration Camp
in Lichtenburg,
Kreis Torgau.

The Church authorities here have raised the question of the spiritual care of and ministrations to persons in protective custody and guards in State concentration camps. Subject to revocation at any time I hereby agree for the present that, for the purpose stated, every two weeks one service each shall be held for the Protestants and Catholics in protective custody—segregated according to denomination—in the camp church in your camp. I forbid the practice of auricular confession for Catholics in protective custody. The spiritual care is to be administered by the pastors, with whom you should communicate direct with a view to their undertaking to provide this care, in an honorary capacity, that is to say, without any special remuneration; the churches are supranatural institutions of Divine Love and will gladly bear the costs themselves.

Certified: Raak

Chancery Clerk

By order:
HEYDRICH

No. 226

6695/H101598-602

The Ambassador in France to the Foreign Ministry

A 4217

PARIS, September 29, 1934.
Received October 1.
IV Ru. 5210.

At my request M. Barthou has just handed me the Polish reply on the Eastern Pact question. I am submitting five copies of the text.

KÖSTER

[Enclosure]¹*Copy A 4217*

Minister Spraw Zagranicznych

GENEVA, September 27, 1934.

CONFIDENTIAL

EXPOSÉ SUMMARIZING THE POLISH GOVERNMENT'S VIEWS ON THE
SUBJECT OF THE PROJECT FOR A PACT OF REGIONAL ASSISTANCE, AS
EXPRESSED DURING THE EXCHANGE OF VIEWS WITH THE REPRESENTATIVES OF THE FRENCH GOVERNMENT

¹ The text of this enclosure is in French in the original.

With reference to the conversations which have taken place on various occasions between the Polish Government and the French Government on the subject of a project for a Treaty of Regional Assistance, and more particularly with reference to the conversation on September 7 between His Excellency M. Barthou and M. Beck, the Polish Government feel that they should define in the present exposé their essential views concerning the abovementioned project.

It will be convenient first to recall the changes which have taken place during the last two years in the situation prevailing in the region with which the French Government's project is chiefly concerned, a situation which used to be considered as particularly unsettled and full of threats to peace. The Polish Government, conscious of their responsibilities, have contributed all that lay in their power to stabilize the political situation in this region of Europe. The Polish Government are convinced that in so doing they have acted in the general interest and have effectively striven to establish peace.

The perseverance of Poland and of the other interested States has culminated in positive results, enshrined in a series of diplomatic instruments, amongst which mention may be made of the Treaties of Non-Aggression between Poland and the Baltic States² on the one hand and the Soviet Union³ on the other, the validity of these Pacts having recently been prolonged till 1945.⁴ The Convention for the definition of the aggressor, signed by eight States who are neighbours of the Soviet Union, as well as by the latter in 1933,⁵ and, lastly, the Polish-German Treaty of February [*sic*: January] 26, 1934,⁶ are designed to inaugurate a new phase in the relations between the two countries by establishing direct contacts.

It cannot be denied that the unrest and troubles from which Eastern Europe had manifestly suffered for some considerable time have now been succeeded by a state of order and equilibrium which it is in the general interest to preserve to the fullest extent.

Moreover, the Polish Government, hoping that the situation in Eastern Europe will develop favourably and convinced of the great importance of the results already achieved, would have been disposed to consider them as constituting at the present time a satisfactory and sufficient basis for political relations between the various States belonging to this region of Europe.

The suggestions made by the Government of the French Republic,

² The Conciliation and Arbitration Convention between Estonia, Finland, Latvia and Poland of Jan. 17, 1925; for the text see League of Nations: *Treaty Series*, vol. xxxviii, pp. 357-369.

³ The Treaty of Non-Aggression between Poland and the Soviet Union of July 25, 1932; for the text see League of Nations: *Treaty Series*, vol. cxxxvi, pp. 41-53.

⁴ By a Protocol signed on May 5, 1934, the duration of the Polish-Soviet Non-Aggression Treaty was extended to Dec. 31, 1945.

⁵ See document No. 11, footnote 4.

⁶ For the text see vol. II of this Series.

Poland's friend and ally, have none the less caused the Polish Government to proceed to a thorough study for the purpose of finding means of reconciling the views of the French Government with the overriding necessities imposed upon the Polish Government by their desire to safeguard a situation which has improved and to maintain that equilibrium which has happily been achieved after long and persevering efforts.

Following such study, the Polish Government feel themselves obliged to make the following observations:

(1) The information furnished by the French Government reveals their desire not to leave out of the proposed grouping any of the States directly interested. The Polish Government entirely share this point of view. They hold that nothing durable could be accomplished without the participation of these States and without their active good will.

Consequently, were Germany to be absent from among the final signatories of the Pact, this would be bound to create an entirely new situation and to alter completely the functioning of the project communicated by the French Government.

The Polish Government therefore take the view that Germany's adhesion would manifestly be required for the projected pact of assistance, as envisaged by the French Government.

In the event of this important condition being met, and the projected pact being on the way to realization, the Polish Government, desirous of safeguarding and of consolidating as far as possible the progress already made in the region in which they are particularly interested, would request that there be included in the text of the proposed diplomatic instrument an article stipulating that the Polish-German Treaty of February [*sic*] 26, 1934, should be maintained in its entirety as the essential basis for relations between the two countries.

(2) As far as the possibility of a pact of assistance for North-Eastern Europe is concerned, the Polish Government must point out that they would not in any circumstances be able to undertake any obligations towards, or give any guarantee whatsoever to, States not maintaining normal diplomatic relations with Poland.

(3) A third consideration, relating to the delimitation of the region to be benefited by the proposed pact, imposes itself upon the Polish Government. It would appear that the French Government have in mind a pact applying to the North-Eastern region of Europe. The choice of participating States, however, does not seem to correspond to this definition. Thus the Czechoslovak Republic, proposed by France as a signatory of the pact, undoubtedly belongs to the Danubian region. The Polish Government could not, therefore, decide to assume fresh obligations towards Czechoslovakia before having studied the complex of questions arising in this region.

Without prejudice to the conclusions at which such study might arrive, it is immediately apparent that for a State with primarily Danubian interests to participate in a North-Eastern group might well render more complicated and more difficult the formation of such a group. To add to the specifically North-Eastern problems a fresh category of problems more particularly concerning the Danubian region must entail automatically raising the question of the other Danubian States and of their possible relations with the North-Eastern group. Poland is traditionally and for various reasons favourably inclined towards all the States of the Danubian area, and would consequently find it very inconvenient to make a somewhat arbitrary choice amongst the Danubian States to be called upon to adhere to the North-Eastern pact of assistance.

Finally, the Polish Government wish to emphasize that, in their opinion, whatever may be the outcome of the negotiations now in progress, it is essential to take all measures necessary to safeguard that state of security and equilibrium existing in North-Eastern Europe, which, compared with the not far distant past, represents considerable progress. Achieved after protracted bilateral negotiations between the principal States concerned, the undeniable progress made in North-Eastern Europe represents a political achievement which should be preserved from any detrimental effects which might result from the uncertain outcome of multilateral negotiations, the difficulties and complexities of which have been shown by experience.

Desirous as they are of conserving the definite, though limited, results achieved in North-Eastern Europe during the last two years, the Polish Government can only, as regards the project for a pact of assistance put forward by the French Government, confirm the attitude they have adopted so far.⁷

⁷ According to a memorandum by Köpke of Sept. 29 (6695/H101587-88), Lipski had that day informed him that Beck had handed Barthou, at the latter's request, an *exposé* on the Eastern Pact question. Lipski stated that this was not a formal memorandum, but merely a written *résumé* of points made by Beck in conversation with Barthou, corresponding in all details to the Polish attitude as already known to the German Government.

No. 227

7894/E573004-09

Minister Weizsäcker to Ministerialdirektor Köpke

BERNE, September 29, 1934.

II SG.6325.

DEAR HERR KÖPKE: According to custom I should send you a brief note on the latest impressions I have gained at Geneva, but perhaps

you will be content with the attached somewhat long-winded memorandum which was composed for the files here.

My conclusion is that if we cannot in the near future prevent a fresh crisis in Austria, we need no longer think of the Saar at all!

Yours etc.,

WEIZSÄCKER

[Enclosure 1]

BERNE, September 28, 1934.

My conversation with Aloisi and Biancheri about the Saar, held at Geneva on September 26,¹ actually served only to gain time, for we are likely to be approached again later on the questions raised in the French memorandum² and by other parties. Certainly, Aloisi realized that very few of these questions will come within the framework which I outlined for him pursuant to despatch II SG 5996 of September 22.³ Nevertheless, we deliberately refrained from sorting them out; on the contrary, we left this to the Committee of Three for the moment.

The pressure to which Aloisi tried to subject us on the police question was chiefly due to Italy's embarrassment because Switzerland had refused to provide police for the Saar, whereas Aloisi, on behalf of Italy, had already agreed in principle. Knox was also embarrassed, as in the police matter he had staked everything on the Swiss card which, after all that, had not come up.

The flatly negative attitude of the Swiss Government, which came somewhat as a surprise to all the participants, was, according to what Aloisi said at Geneva, explained by Motta in a way which led to the conclusion that pressure had been exerted by Germany. In fact, however, as I have ascertained, Motta and the Federal Council have largely followed public opinion in Switzerland; perhaps Barthou's constant hostility towards Motta has also contributed to this.

It emerged from a conversation with Knox on September 27⁴ that he would by no means be prepared at present to remove from the Saar police that group of the *émigré* type to which we objected. Knox was quite determined about this. He maintained that the attitude of the German Government or that of German propaganda had prevented him from taking such a step, in that all kinds of charges had been made, and action taken, against the persons concerned or their relatives. He, Knox, would be acting against all principle if he were to give in to such pressure.

¹ Reports of these conversations telephoned by Weizsäcker were recorded in two memoranda of Sept. 26 (7894/E572955-57; 7949/E574091-96).

² See document No. 206, footnote 1.

³ Not printed (7894/E572919-20).

⁴ A report telephoned by Weizsäcker on this conversation is recorded in a memorandum of Sept. 27 (7894/E572958-59).

Otherwise, the conversation with Knox was not unpleasant. Indeed, I gained the impression that Knox himself is not feeling very happy in the position he is in and is suffering under his present responsibility; clearly he has never established contact with the people of the Saar and because of this has slipped into the hands of the other side.

In the circumstances, it was out of the question, in the police matter, to use the authorization given to me⁵ to enter into a more or less informal agreement (Germany's tacit consent to the employment of a limited number of useful non-Saar policemen, subject to the simultaneous dismissal of police officers originating from *émigré* circles). There was no other way but to put the whole responsibility for the recruitment of non-Saar policemen on to Knox and the Council. It should be stated in this connexion however that, in the opinion of Aloisi, Biancheri, Knox, etc., the Council believes that it obtained Germany's consent to this at the beginning of June this year and nothing will persuade it to change its mind on this. According to Enclosure 2 of despatch II SG.6014 of September 24⁶ which I have received, this seems quite understandable to me.

The debate on the Saar in the Council of the League of Nations on September 27 did not, after all, take the course the French had desired. Barthou stood alone in making threats. Aloisi's report⁷ to the Council turned out to be more conciliatory than might have been expected even the day before.

We do not owe this to the soundness of our arguments. Simultaneously with that on the Saar questions there was lively discussion between the French and the Italians on the Austrian problem. The Italians would have been prepared to accede to French pressure about the Saar to the same extent as their own wishes were fulfilled in respect of Austria. For the moment we were spared such a deal.

Nevertheless, my impression as gained at Geneva is that the danger of the Saar remaining a bargaining counter in a more complex game will definitely still continue. The people who are directing foreign policy in France at present will, it seems, stop at nothing in order to strike a blow against our Government with the aid of the Saar question. They are impervious to all attempts to induce a change of attitude. They feel very strong in the present Council of the League of Nations and have also of late adopted a tone there which has not been customary at Geneva.

⁵ Instructions on the lines here indicated were contained in telegram 96 of Sept. 14 to Geneva, a copy of which was despatched on the same day by pouch to Berne (7949/E574066-68).

⁶ Not printed (7952/E574238-45). The enclosure is a report by Lersner (a former diplomat at that time acting as the personal representative at Geneva of von Papen, the then Reich Commissioner for the Saar) about his conversations with Knox and others in May and June on the employment by the Governing Commission of German political refugees in the police and the administration of the Saar Territory.

⁷ See League of Nations: *Official Journal*, November 1934, pp. 1460-1462.

Whereas at one time a tendency may have prevailed in the League of Nations to create, by means of subtle legal arguments, a system which might have been defined as a struggle over the prior establishment of guilt in any fresh European conflict, this phase is apparently now regarded as closed. Germany's guilt is taken for granted and on this basis attempts are being made to organize strategic concentration, so to speak.

In this state of affairs, which has grown out of fear and distrust and in which the Saar is only one object amongst many, we must not, judging by my impressions as gained at Geneva, rely too much on our good right in the Saar and on our legal arguments, if we wish to avoid a considerable aggravation of the general situation and, at the same time, successfully to oppose the brutal designs of the French.

Holding the chairmanship of the Saar Committee of Three and as a result of British indolence, Italy has secured a strong place for herself. In the bargaining that will ensue between France and Italy next week (African and Mediterranean questions, Saar, Austria, ratio of armaments?) we shall certainly not have much say, or much to offer except in the matter of Austria. At Geneva Austria seemed like a packing case which was so rotten that all its sides could be kicked in as soon as July 25⁸ recurred in a new form. The French-Italian conversations about this have certainly not proceeded smoothly this time (in the French delegation Barthou wished to meet the Italians halfway in preparation for his Rome visit, while Massigli was urging that consideration be given to Yugoslavia). It seems to have been clearly felt in Geneva that, despite Mussolini, the Italians were not yet completely lost to our cause. Obviously, there will continue to be a political link between the problems of Austria and the Saar.

⁸ i.e., the assassination of Dollfuss; see documents Nos. 115 and 119.

No. 228

7894/E572964-67

The Ambassador in France to the Foreign Ministry

Telegram

No. 1211

PARIS, September 30, 1934.

Received September 30—2:30 p.m.

II SG.6254.

The reports reaching me during the last few weeks about the attitude of the French Government to the Saar question may be summed up as follows: The views of the Cabinet regarding French policy over the Saar question were until recently divided. A large number of Ministers,

amongst them Herriot, were of the opinion that French policy should be confined to seeing that the plebiscite was held strictly in accordance with the provisions of the Peace Treaty and that, in any case, France must disinterest herself from a policy aiming at territorial gains for France or at the *status quo*. Various arguments were put forward for this view, such as, for example, that the Saar was inhabited exclusively by Germans and particularly that the return of the Saar to Germany might form the basis for a settlement of German-French relations and, above all, might lead us back into the League of Nations. Then there occurred a change. The thesis was put forward that complete *dés-intéressement* on the part of the Government over solutions favourable to Germany would not be understood by the French public, and that, if the Saar were returned to Germany, France would have to expect the influx of a mass of German nationals, running into many tens of thousands, whom France would be obliged to accept in view of her traditional hospitality towards refugees without deriving any benefit; on the contrary, it would only be to her disadvantage. This high figure was apparently reached on the assumption that a very large number of the present Saar residents who sympathized with the idea of the *status quo* (for example Catholics for religious reasons), as well as Jews and Socialists who had emigrated to the Saar from Germany, would, without exception, resettle in France. According to my information, French Catholic circles in particular, in addition to the Socialists, have drawn attention to this danger. Finally, the decisive argument is believed to have been that if the Saar question turned out to be a victory for the German Government, then imposing an *Anschluss* on Austria could only be a matter of months. For this reason every effort must be made to undermine the Reich Chancellor's position with the German people by a defeat over the Saar question. The best way to achieve this aim was to promote the *status quo* idea. Any severance of territory might weaken France internationally and so endanger peace between the two countries as to be out of all proportion to the territorial gain. For this reason the French Government then abandoned the idea of working for a cession of territory in favour of France in order, instead, to concentrate all their strength on achieving the *status quo* position. In this they were undoubtedly counting on the cooperation and sympathy of large numbers of Saar residents and naturally of all German nationals who were not entitled to vote but were living there for political or religious reasons. As a result of these deliberations the Government consulted leading popular newspapers in Paris and the provinces so as to obtain the views not only of the editors but also of the readers. With very few exceptions, such as the *Journal* and *Petit Journal*, the Government received the reply that by and large the public desired a stand to be made against the present German Government by means of propaganda for the *status quo*, and

this not only in Paris but also in the provinces. Some of the very powerful newspapers in the South, such as *Le Petit Marseillais* and *La Petite Gironde* vacillated for a while but, fearing competition in the form of charges by the constantly expanding newspaper combine *La France de Bordeaux de Sud-Ouest* that they were pursuing a friendly policy towards Hitler, they opened their columns to *status quo* propaganda.

In view of this development it must be expected that the French Government will now pursue a *status quo* policy with all means at their disposal. The familiar French Saar Memorandum¹ must be regarded as an overture to this.

According to further information to hand, Barthou's conversations with Knox and also with representatives of the British Government in Geneva have resulted in the British moving nearer to the French thesis. They are supposed to have shown interest in the French idea of turning the Saar into a structure similar to Danzig.

An eminent person known to me for years who questioned Barthou in Geneva regarding this policy of France's and who expressed doubts, saying that the *status quo* solution might lead to a *Putsch* by the Germans if not to even more serious conflicts, was told by the Foreign Minister that there was no time for further consideration as the date of the plebiscite was drawing near, and that the policy laid down by the French Government must now be adhered to at all costs. The French had certainly taken the possibility of a *Putsch* into account, but France saw no danger in this for herself; on the contrary, such action would lead to Germany's complete isolation and condemnation, as in 1914 because of Belgium, which, should counteraction prove necessary, could only be of advantage to the French Government.

KÖSTER

¹ See document No. 206, footnote 1.

No. 229

9452/E666922

The Ambassador in the Soviet Union to the Foreign Ministry

Telegram

No. 227 of October 3

Moscow, October 3, 1934—8:25 p.m.

Received October 4—12:50 a.m.

IV Ru. 5274.

I have today presented my credentials to Kalinin.¹ Immediately afterwards I was received in private audience by Kalinin in the presence

¹ President of the Central Executive Committee of the Soviet Union. Schulenburg's appointment as Ambassador in Moscow had been officially announced on June 21, 1934.

of Krestinsky,² Yenukidze³ and Twardowski. At the audience Kalinin expressed the hope that there would be an improvement in German-Soviet relations. Too much importance should not be attached to the outcry in the press. The peoples of Germany and the Soviet Union were linked by many different ties and were in many ways dependent upon each other. Despite the present unfavourable state of affairs he was still optimistic, and he believed that, with goodwill on both sides, a way would be found of restoring friendly relations. I stressed the Reich Government's determination to maintain good relations with the Soviet Union, without, however, engaging in any further political conversation. The audience proceeded in a friendly spirit.

Litvinov arrived this afternoon, but is not back at work yet.

SCHULENBURG

² Vice Commissar of Foreign Affairs and former Soviet Ambassador in Berlin.

³ Secretary to the Central Executive Committee of the Soviet Union.

No. 230

5737/H029001-06

The Ambassador in Italy to the Foreign Ministry

I 1126

ROME, October 4, 1934.

Received October 8.

II It. 2352.

POLITICAL REPORT

Subject: Political discussion with Signor Suvich after my return from leave.

After returning from leave I called first of all on Signor Suvich, in the absence of the Head of the Government, and had a conversation with him on the situation and on German-Italian relations. I told him about the impressions I had gained in Germany and particularly about the Nuremberg Party Rally,¹ emphasizing above all, the solidarity of the masses behind the Führer and the unanimous belief in one single national idea, which must have been apparent to everybody; I was sorry therefore that the Italian Embassy had not been represented, whereas, as far as I knew, the Counsellor of the Embassy² had fortunately attended the Harvest Festival [*Erntedankfest*]³ in which 700,000 took part. Signor Suvich then said that reports had been received from Consul General Pittalis at Munich concerning the Party Rally which fully bore out my observations. Signor Suvich then made

¹ See document No. 179, footnote 1.

² Nobile Pasquale Diana.

³ Organized as a National Festival at Bückeberg on Sept. 30.

a remark to the effect that it was now to be hoped that the worst of the crisis had been overcome, and asked whether I had gained the same impression while in Germany. I replied that unfortunately there could be no doubt that the unrestrained language of the entire Italian press during [the past] two months had made a profound impression in Germany, and described the extremely unfavourable feeling regarding Italian policy which I had found to prevail uniformly amongst high and low as a result of this Italian agitation. I had met with the opinion everywhere that the comments revealed such an aftermath of hatred and aversion that it would seem extremely difficult to get on to friendly terms again. I reminded Signor Suvich in this connexion of a number of particularly outrageous mistakes made by leading newspapers which no nation with any sense of honour could easily forget. Signor Suvich replied that it should never be forgotten that after all was said and done it was only a matter of press comment and not of assertions by responsible authorities; besides, there had been no lack of extremely bitter attacks on Italy in German newspapers. I countered this by saying, with reference to the last point, that first of all it was my opinion that, speaking impartially, there was no comparison between the language of the German press and that of the Italian; secondly, the campaign in the Italian press was of a special character because it embraced every newspaper in the country without any exception whatever; and, thirdly, as of course Suvich knew, several statements had been made in official quarters even quite recently which Germany could only regard as unfriendly. Signor Suvich then pointed out that the attacks on Germany had now ceased completely, to which I replied that the tone had, in fact, improved very much, even though the attitude still remained unfriendly, and abuse of the earlier kind, of which I gave an example, still appeared.

I added that I did not consider it my duty to act as an advocate of Italian policy, but, that in our mutual interests I had, nevertheless, tried everywhere, with my more intimate knowledge of matters, to explain as far as possible Italy's attitude from a psychological aspect. At any rate I could assure him that those in charge of German policy did not, even now, view relations with Italy with feelings influenced by the press campaign, but still clung to their hope of and readiness for cooperation with Italy on questions of general policy in accordance with our common interests. For this reason I should be interested to know whether Italy's policy still followed the old lines on important questions, or whether it had perhaps undergone a change. I gave as examples the disarmament question, the problem of the Saar and the Memel question. At the same time I mentioned as proof of Germany's goodwill the German-Italian Clearing Agreement⁴ and emphasized the

⁴ See document No. 155, footnote 6.

substantial concessions, considering Germany's foreign exchange position, which the arrangements for the tourist trade with Italy represented. Signor Suvich, who during my observations had already vehemently denied that there had been any fundamental change of course in Italian policy, for his part also welcomed the conclusion of the Clearing Agreement and was of the opinion that Italy had, after all, made considerable concessions in return for the concessions made by Germany regarding the tourist industry. With reference to the political questions raised, Signor Suvich stated that, fundamentally, Italian policy on the disarmament question had remained completely unchanged; certainly it seemed to him that German policy on this question had changed very considerably; for whereas we had previously confined ourselves to certain demands of a defensive nature, we were now letting it be known that in fact we demanded complete freedom and equality. I replied that I had no knowledge of any fundamental change in German disarmament policy, but that all our attempts to arrange for a convention on the basis indicated by him had clearly failed. We certainly were still prepared for this, but had no other alternative than to give practical consideration to the actual attitude of the other Powers. This seemed quite understandable to Signor Suvich, and he added that Mussolini had, so to speak, written off the matter of disarmament and, to his deep regret, was now accepting the armaments race amongst all nations as an established fact. With reference to the question of the Saar, the Italian delegation, as we had probably ascertained ourselves—which I confirmed—was proceeding strictly along the old lines. In reply to a remark of mine in the sense of telegram No. 291 of October 2,⁵ Signor Suvich stated that there was little sympathy in Italy for the whole undertaking of recruiting foreign personnel for the Saar Police, and that this would probably not be encouraged, nor for that matter deliberately resisted. As to the Memel Territory, Signor Suvich remarked that the Italian Minister, like his French and British colleagues⁶ (see your telegram No. 293 of October 3)⁷ had been instructed to make representations in Kovno.

We then came to speak about the Austrian question. I asked Signor Suvich whether they were now content with the Three Power

⁵ Not printed (8970/E629677). This telegram, also sent to Brussels, Luxembourg, Kovno, Prague and Belgrade, stated that the Saar Government had approached the Italian Government and the Governments in the above-mentioned capitals for permission to recruit individuals in their countries for the Saar police, and instructed Hassell to reply to any Italian query concerning Germany's views, that she considered such a measure unnecessary.

⁶ Giovanni Amadori, René Ristelhueber and T. H. Preston.

⁷ Not printed (8921/E624508-09). This telegram forwarded a telegram from Paris of Oct. 2 in which Forster reported that the French Minister in Kovno had been instructed to make representations to the Lithuanian Government regarding events in Memel which Germany had brought to the attention of the Signatory Powers of the Memel Convention.

Declaration⁸ or whether there were still further plans. Signor Suvich was of the opinion that the Three Power Declaration certainly did not contain anything particularly new; nevertheless it was significant that the new more far-reaching version, in which it was stated that the Declaration of February 1934⁹ would continue to inspire the common purposes of the Powers, had met with Britain's approval. This unconvincing attempt to make out that the Declaration was the result of Italian policy was put forward by Signor Suvich himself somewhat half-heartedly. I pointed out to Signor Suvich that we did not feel particularly affected by this Declaration: Italy must realize that latterly no propaganda of any kind or anything similar had found its way into Austria from the Reich; there was no longer a Landesleitung Austria in the Reich, Herr Habicht had nothing more to do with these matters, and we were deliberately refraining from any kind of interference. Signor Suvich admitted this and merely enquired whether, apart from the Austrian Legion which was probably in process of dissolution, the Kampfring had also been disbanded, to which I replied that I assumed this to be so but had no exact details on this particular point. (I should be grateful if I could be given instructions on this.)¹⁰ I then again summarized the German attitude to the effect that we were refraining from any kind of political interference but, on the other hand, would not be inclined to give economic support to the present Austrian Government, as in our estimation this Government was not stable and could not be regarded as an expression of the true will of the people. Signor Suvich made a few more critical observations on this point which are of no special interest, and then, in conclusion, made the interesting remark that he would very much like to have another quiet conversation with me on the Austrian question as soon as an opportunity arose. Naturally I readily agreed to this.

I then asked Signor Suvich how all the other political matters stood and particularly what the position was regarding France and Italy. He replied that the date for M. Barthou's visit¹¹ had still not been arranged; nor could it be said that negotiations were actually in progress with France. He and the French Ambassador, Count Chambrun, were however constantly having conversations in order to clear up pending questions and, if possible, reach agreement; however so far

⁸ This declaration, which was issued in Geneva on Sept. 27, 1934, read as follows: "After having proceeded to a fresh examination of the Austrian situation, the representatives of France, the United Kingdom and Italy have agreed, in the name of their Governments, to recognize that the declaration of the 17th February [see footnote 9 below] regarding the necessity of maintaining the independence and integrity of Austria in accordance with treaties in force retains its full effect and will continue to inspire their common policy."

⁹ See vol. II of this Series, telegram No. 45 of Feb. 15, 1934, from Rome.

¹⁰ Marginal note in Köpke's handwriting on another copy of this document (9959/E692678-83): "What business is that of Italy's?" See also document No. 241.

¹¹ See documents Nos. 61 and 87.

one could not have said that there had been any positive results. He cited as such questions the Italian Statute of Tunis,¹² the African frontier questions, and naval parity, but at once added that the last point had not yet been discussed in very great detail. I asked Signor Suvich whether the problem of the mandates and of Abyssinia would also be included in the discussions; he replied that the question of mandates was not being dealt with at present but naturally, always remained a pending problem. As for Abyssinia, it was possible that this too would be discussed on the occasion of M. Barthou's visit. It was, however, quite fantastic to assume that Italy had plans for military aggression in that direction. On the initiative of Addis Ababa, the claim and counter-claim that Abyssinia wanted to seize Eritrea and that Italy wanted to seize Abyssinia had already been contradicted by both sides. Italy's alleged rearmament consisted simply of certain measures of a purely defensive nature which had been absolutely essential for some considerable time and which would at last be carried out in the colony; for instance, Eritrea had so far not a single aircraft at her disposal, a fact which was most painfully felt at the time of the crisis in the Red Sea situation when the Yemen and the Hejaz were at war.

After we had also briefly touched upon the situation in the Balkans, in connexion with which Signor Suvich expressed himself as very sceptical about the real import of the Yugoslav-Bulgarian understanding,¹³ I took my leave as the French Ambassador, Count Chambrun, was announced.

I gained the impression from this first conversation that Italian foreign policy is at present somewhat embarrassed and in a state of indecision. A desire not to break off the threads with Germany completely, or to pick them up again, is unmistakable. It is perhaps not without interest from this aspect that nearly all the leading newspapers are quoting a report from Rome (I presume cleverly suggested to the correspondent in the Palazzo Chigi) in the *Berliner Tageblatt*, that I had returned to Rome after the Berlin talks in order to start negotiations on German-Italian relations. I hope to have a conversation with Signor Mussolini soon after his return from his visit to Northern Italy and shall wait until then before sending a further report.¹⁴

HASSELL

¹² See document No. 87, footnote 5.

¹³ King Alexander and Queen Marie of Yugoslavia visited Sofia Sept. 27-30, 1934. The official communiqué stressed the confidence and friendliness which had manifested itself in the negotiations between Bulgarian and Yugoslav statesmen during this visit. The relevant documents have been filmed on Serial 9316.

¹⁴ This document is marked: "The Chancellor is informed. L[ammers], Oct. 16."

No. 231

1856/421991-92

*Minister Papen to the Führer and Chancellor*¹

VIENNA, October 4, 1934.

MY FÜHRER: I have set out my views on the handling of the Austrian Brown Book² in my official report which is being despatched to you today.³ However, I feel I should inform you in confidence that I find the opinion you once expressed to me, namely, that the *Putsch* of July 25⁴ must be viewed in close conjunction with the Röhm affair,⁵ confirmed here in Viennese circles. There is no doubt that there were very strong links between the Supreme Command of the SA and certain quarters here, but it would be difficult to establish the facts of the matter now. It might at any rate be worth considering whether, in view of the publication in the Brown Book of various happenings which were contrary to international law, it would not be advisable for us to make a statement to the effect that the Reich Government had no knowledge of these happenings, nor did they approve them, and that they had long since been atoned for in full measure by the liquidation of Röhm and his conspirators.

I am mentioning this possibility in case the allegations in the Brown Book should lead to further steps or speculations on the part of other Governments. A statement of this kind would at all events uphold the Reich Government's authority and your own.

I beg you to inform me of your views on this matter.⁶

Yours etc.,

PAPEN

¹ See document No. 167, footnote 8.

² The Brown Book, *Beiträge zur Vorgeschichte und Geschichte der Julirevolte*, was published by the Bundeskommissariat für Heimatdienst on Oct. 3, 1934. See also document No. 174 and footnote 8 thereto.

³ In report A 2858 of Oct. 4, 1934 (1856/421993-99), dealing for the most part with his visit to Gömbös, Papen also discussed the Brown Book and urged that the Austrian problem should, as far as possible, be allowed to be forgotten.

⁴ See documents Nos. 115 and 119.

⁵ See Editors' Note, p. 117, and document No. 55.

⁶ In a memorandum of Oct. 11 (8652/E605814), Neurath recorded: "The Führer told me this morning that the press should be instructed to treat Austrian matters (including the Brown Book) with the greatest reserve. I said such instructions had already been issued." In a further memorandum of the same date (8652/E605811-13), Neurath recorded: "The Führer told me today that he was of the opinion that the Austrian Brown Book should be ignored as far as possible, and that there was in any case to be no press campaign against it. I share this view. Only in particular cases where the foreign press made use of the Brown Book against us, might this inferior compilation be taken down a peg or two. It should, moreover, be pointed out to the Austrian Minister from time to time that, after the misuse of his reports in the Brown Book, conversations can no longer be held with him." In telegram No. 103 of Oct. 13 (8652/E605817), the Legation in Vienna was informed accordingly.

No. 232

Memorandum by an Official of Department II

BERLIN, October 5, 1934.

II M 1464.

Lieutenant Colonel von Böckmann¹ informed me this morning at the request of the Chief of the Ordnance Office² that the latter had spoken to Herr Schacht about the question of a Reich guarantee for the delivery of guns to China.³ Herr Schacht had been informed of the Foreign Ministry's objections.⁴ He had nevertheless signified his agreement to the Reich guarantee and requested that the information should be passed on to the Foreign Ministry with the suggestion that it should withdraw its objections. Herr Schacht had further remarked that if the Foreign Ministry thought that it must insist on its objections, then he was prepared to lay the matter before the Führer and Chancellor for a decision.

To be submitted to Senior Counsellor von Erdmannsdorff with the suggestion that further action be taken.⁵

FROHWEIN

¹ In a minute of Oct. 3 (6691/H098327) Frohwein noted that he had informed Böckmann of the contents of the memorandum of Sept. 26 (see footnote 4 below) and had emphasized that the objections applied to the guarantee and not to the transaction as such.

² Maj. Gen. Kurt Liese.

³ See document No. 220.

⁴ See document No. 220, footnote 9.

⁵ In a memorandum of Oct. 9 (9270/657563), Erdmannsdorff recorded that, as the same political and financial objections applied to a further application by Rheinmetall for a Reich guarantee for the supply of specialized military machinery to China, Department IV proposed that this should be rejected also, since this confirmed the apprehension that the howitzer transaction was the first of a number of similar ones. A manuscript note by Bülow of Oct. 9 (9074/E637018) reads: "It is an unwritten international law that deliveries of arms must be paid for in cash. I think it is *extremely* risky to deviate from this principle. Moreover it seems to me exceedingly undesirable that German firms should 1) export heavy artillery and 2) import these into China. Could not Rheinmetall's participation be camouflaged somehow (by putting forward neutral firms)?" In a memorandum of Oct. 9 to Bülow (9074/E637017) Erdmannsdorff replied: "An attempt is indeed to be made to camouflage 'Rheinmetall's' participation by putting forward the Solothurn ordnance factory. But the fact that delivery will in actual fact be made from Germany can hardly be kept secret, since Solothurn are supposed not to be able to produce 15-cm howitzers."

No. 233

6609/E497531

The Ambassador in the Soviet Union to the Foreign Ministry

Telegram

URGENT

Moscow, October 7, 1934—6:45 p.m.

No. 231 of October 7

Received October 7—8:15 p.m.

IV Ru. 5331.

For the State Secretary only.

I paid my first visit to Litvinov today. Litvinov obviously wished

to avoid any mention of the question of German-Russian relations. When, in spite of this, the conversation did turn to the German-Russian tension in connexion with the Fuchs case,¹ Litvinov repeated his familiar views: the tension was not Russia's fault, the Soviet Union desired good relations; it had twice suggested ways of dispelling the present distrust, but Germany had not felt able to accept them.² I countered by putting forward our own point of view, and it became clear that Litvinov was trying to avoid going into the matter further. I noticed the same desire to avoid political conversations when I paid my first visits to Krestinsky³ and Stomanyakov.⁴ Even Suritz⁵ touched upon the subject only when paying his return visit.

SCHULENBURG

¹ Kurt Fuchs, a mechanic on the Hamburg steamship *Boltenhagen*, had been arrested in Leningrad on Aug. 9 on suspicion of espionage. In telegram No. 229 of Oct. 7 (K918/K227134) Schulenburg reported that public proceedings in the Fuchs case were due to start in Leningrad that day. He had raised the matter during his first visit to Litvinov and drawn the latter's attention to the political repercussions. In telegram No. 230 of Oct. 7 (K918/K227135) Schulenburg reported that he had just heard from Litvinov that the trial would take place *in camera*. On Oct. 14 Fuchs was sentenced to eight years' imprisonment; further documents on the case have been filmed on Serials K918 and K919.

² i.e., the proposals for the Baltic States and Eastern Pacts, see document No. 1 and footnotes 1 and 2 thereto.

³ Vice Commissar for Foreign Affairs and former Soviet Ambassador in Berlin.

⁴ Member of the Collegium of the Soviet Commissariat for Foreign Affairs.

⁵ Formerly Soviet Ambassador in Turkey, appointed Ambassador in Germany in May 1934 (see vol. II of this Series). Suritz formally took up his post on Oct. 26, 1934.

No. 234

7894/E573010-12

Ministerialdirektor Köpke to Ambassador Hassell

Drafting Officer:

BERLIN, October 8, 1934.

Senior Counsellor Voigt.

zu II SG.6325.¹

DEAR HERR VON HASSELL: With despatch II SG.5996 of September 22² you received a copy of the general instructions to Herr von Weizsäcker. It will be of value to you to learn something about the conversations which Herr von Weizsäcker subsequently had in Geneva, especially as you might be asked shortly to continue the conversations with Signori Aloisi and Biancheri. Probably the best way for me to inform you is to let you have enclosed a copy of the memorandum³ which Herr von Weizsäcker has sent me. Despatch II SG.1614 [*sic*] of September 24,⁴ which concerned the conversations between Herr von

¹ Document No. 227.

² Not printed (7894/E572919-20).

³ See enclosure to document No. 227.

⁴ See document No. 227, footnote 6.

Lersner and Mr. Knox in May this year, is mentioned on page three of the memorandum; a copy of the despatch was also sent to you.

As regards the abovementioned instructions, the following will probably interest you.

Signor Aloisi asked Herr von Weizsäcker after their conversation to let him have a rough draft, in which there was to be briefly summarized the German view on the question of whether and to what extent we wished to negotiate with the French direct or through the mediation of the Committee of Three on the issues raised in the Barthou Memorandum.⁵ As a result of a conference of Ministers⁶ we slightly modified the proposal which Herr von Weizsäcker subsequently sent us, to the effect that in principle we did not consider it necessary to enter into negotiations before the plebiscite. The formula reads as follows:

"The German Government are of the opinion that neither the Treaty of Versailles nor concern for a free and honest plebiscite make it necessary to settle now such questions as will not arise until after the plebiscite. The basis and guiding lines for the liquidation of the present Saar régime contained in the Treaty itself are clear and definite enough for such a settlement to be achieved in due course without any difficulty and without loss of time. The German Government will naturally accept and examine any proposals and suggestions which may reach them."

Signor Aloisi made no use of this in his report to the Council.⁷

The Aloisi Committee, through Signor Biancheri, has meanwhile approached us again with clearly defined questions. You will shortly receive more precise information on this.

Yours etc.,

KÖPKE⁸

⁵ See document No. 206, footnote 1.

⁶ Between Neurath, Schacht, and Schwerin von Krosigk, according to a memorandum of Sept. 26 by Voigt (7949/E574091-96).

⁷ See League of Nations: *Official Journal*, November 1934, pp. 1460-1462.

⁸ Copies of the document here printed were sent on the same date to Forster in Paris and Hoesch in London (7894/E573012-13).

No. 235

6081/E451127-31

The Minister in Austria to the Führer and Chancellor

SECRET

A 2904

(Copy for the Foreign Ministry)

Subject: Conversation with the Federal Chancellor.

VIENNA, October 8, 1934.

Received October 10.

II Oe. 2855.

On Saturday¹ afternoon I had an hour's conversation with the

¹ Oct. 6.

Federal Chancellor, mainly concerning the points which I had discussed with the Foreign Minister the day before (see my report of October 5, 1934).²

When I complained that the publication of the Brown Book was only calculated to sabotage the work for peace between our two countries, the Federal Chancellor in reply vehemently denied that this had in any way been the intention of the Austrian Government. He reiterated the Foreign Minister's argument that the Reich press had repeatedly emphasized that the [Austrian] Government would be far too frightened to publish a collection of documents and he added that the Governments interested in Austria's independence had, moreover, desired authentic material. I replied that it would, in that case, have been sufficient to submit any so-called material to the Governments concerned through diplomatic channels. Having thus been driven into a corner, the Federal Chancellor eventually admitted that the chief argument for publication had been the internal situation, that is to say, pressure from the Heimwehr and the hope of damaging the National Socialist movement by publishing. I then made the same protest to the Federal Chancellor regarding the publication of the Brown Book as I had to the Foreign Minister. The Federal Chancellor emphasized that the Austrian Government would now like to regard the files covering July 25 as closed and that they were genuinely and sincerely against continuing the fratricidal war between Germany and Austria. Instructions were in fact issued to the press the day before yesterday forbidding attacks upon the Führer and Chancellor or other members of the Cabinet and upon myself; in effect, the whole of the Austrian press have completely refrained from discussing the Brown Book.

Regarding the speech by ex-Minister Mataja,³ the Federal Chancellor expressed his personal regret about these statements. A speech of this kind would not be made again.

I then raised the matter of the unworthy statement about German-Austrian relations which the Foreign Minister had published in *Le Temps* of September 27, 1934. The Chancellor seemed also to regret these remarks and, shrugging his shoulders, said: "Indeed, two years ago it would have been impossible for an Austrian Minister to make such a statement to a French newspaper."

The Chancellor proved to be as little informed about the Saar

² In this report, A 2885 (1856/422000-03), Papen stated that his conversation with Baron Berger-Waldenegg had for the most part concerned the ill-timed publication of the Brown Book, which had coincided with his assumption of office, and Austria's attitude to the Saar question.

³ Dr. Heinrich Mataja (Christian Socialist Foreign Minister 1923-1925) said in a speech on Oct. 4, the day of Papen's assumption of office in Vienna, that Austria only recognized a Minister of the German Reich, not a Special Envoy from the Head of the National Socialist Party.

question as his colleague in the Foreign Ministry. He held the view that the solution of retaining the *status quo*, as advocated in the Austrian press, was a solution which might very well be in Germany's interest since, in his opinion, the Saar Territory would then, after a brief period of transition, certainly return to Germany. I made a point of explaining this question very fully to the Federal Chancellor, and I asked him most urgently to use his influence with the press in this matter, which is one of common German interest, and to see that in future no further harm is done to common German interests.

When we discussed the desirability of improving our mutual press relations, the Federal Chancellor pointed out that the Austrian Government, now as ever, desired that the penalties for personal and insulting attacks upon Heads of Governments or members of either Government should be reciprocal. I shall submit some suggestions on this matter shortly.⁴ As a result of the more neutral attitude taken by the Reich press in the very recent past, the press here has also been instructed to stop the campaign against the disparagement [*sic*] of present-day economic conditions in the German Reich. I hope that the press in the German Reich will continue to treat our mutual relations on as high a level as *Die Börsen-Zeitung*⁵ did recently under the headline "Who is the Guardian of the Reich?". Discussions on such a high level are the best propaganda for us here.

When I asked about the possibility of an impending *Putsch* by the Left, of which there is a good deal of talk here, the Federal Chancellor said that the Communists were certainly continuing to smuggle arms but that, on the other hand, such a *Putsch* was very unlikely owing to the consolidation and strengthening of the Executive.⁶ I made a point of telling him that if fresh internal disturbances should occur, the usual attempts would presumably be made to put the responsibility on the German Reich Government. I wished, therefore, to make quite clear even at this early stage that if this did happen, no shadow of blame could attach to the Reich Government.

Today, Mussolini's Milan speech⁷ is being commented on everywhere here. In this connexion reference is being made to reports that the Reich Government have made Rome the offer of a ten-year declaration of independence for Austria. I had already told the Federal Chancellor the day before yesterday that this report was completely unfounded and had added that the Führer and Chancellor

⁴ Not found. It would appear from a marginal note on another document (8663/E606575-78) that correspondence on this subject was filed in "Presse 6 Oe."; the files under this heading for 1934 are, however, not held.

⁵ A right-wing newspaper; the article appeared in the edition of Oct. 4, 1934. A marginal note in Köpke's handwriting against this passage reads: "Megerle?" For Megerle see document No. 115, footnote 3.

⁶ See vol. II of this Series.

⁷ Mussolini's "speech to the workers" in Milan on Oct. 6, reported in the press on Oct. 7.

had always recognized Austria's independence and that a renewed affirmation was therefore quite unnecessary. It is, however, noteworthy that today's *Reichspost* comments with approval on Mussolini's remark that European history could not be made without Germany. It says: "It goes without saying that the Italian statesman's reference to the link between the German nation and the political developments of Europe will evoke special response in Austria." The official paper in Vienna⁸ commented on this today: "The fact that in taking the initiative in the Danube area the Italian Minister President in no way wants to harm the German nation, emerges from the carefully considered words which he intended for Berlin. This shows that Benito Mussolini, who undoubtedly is first and foremost the great advocate of his people, also wishes to be a European statesman who fully appreciates Germany's great importance to the western world and who wholeheartedly desires that the Reich should once again fulfil its great mission in Europe."

On the whole, it is my impression that the Austrian Government ardently desire a *détente* and that the Federal Chancellor, who was very much more candid in his conversation with me, would like to contribute towards such a *détente*.

PAPEN

⁸ The *Wiener Zeitung*.

No. 236

3015/598318-20

*The President of the Danzig Senate to the Führer and Chancellor*¹

BERLIN, October 8, 1934.

MY FÜHRER: On October 5, the Gauleiter of Danzig, Herr Staatsrat Forster, demanded, through the Deputy Gauleiter and Vice President of the Senate Greiser, that I resign forthwith my post as President of the Senate in Danzig. In the interests of the Party he desired a solution through my voluntary retirement on grounds of ill-health. It was his intention, however, in case of opposition, to compel my resignation by a formal vote of no-confidence in the Volkstag. The Deputy Gauleiter informed me that the Gauleiter had been authorized by you, my Führer, to undertake these measures, as you yourself did not wish, for political reasons, to intervene in the domestic affairs of Danzig.²

¹ According to a letter of Oct. 8 from State Secretary Bülow to the Foreign Minister (3015/598313-15), Rauschning had handed him the document here printed for transmission to the Führer either direct or via the Foreign Minister. The document bears the marginal note: "Submitted to the Führer. v[on] N[eurath], Oct. 11."

² On Oct. 6, Köster had reported similar information from Rauschning in telegram No. 37 (6207/E469207).

In accordance with Party discipline, I of course complied provisionally with the request of the Gauleiter, which was made to me orally only, and from that day I have refrained from all official acts, and am prepared to resign voluntarily for health reasons if by so doing the way of my successor can be made smoother.

I consider it to be my duty, however, in view of Danzig's difficult position with regard to both foreign policy and domestic affairs and the inevitable loss of confidence which my resignation would cause, to call your attention once more to the fact that the foreign relations of the German Reich would not remain unaffected either, particularly in regard to the Polish State, where I have been regarded since my audience with Marshal Pilsudski³ as your special representative. The domestic upheaval which will ensue is bound also to have indirect consequences on the situation in the Saar Territory and on the result of the plebiscite there. A sense of responsibility for developments to be expected under the ill-considered leadership of Gauleiter Forster compels me, therefore, before my resignation, to ask without delay for formal agreement to my dismissal, particularly as the decision will, unquestionably, be regarded as having been taken by you. For the status of Gauleiter Forster, according to the Danzig Constitution under League of Nations supervision, is not that of a party leader. In combination with his functions in the Reich as Prussian Staatsrat, Member of the Reichstag and leader of the Office Workers' Organization, his is an office which, although criticized by Poland as well as by the League of Nations representative as being illegal, has nevertheless been tolerated up to the present as being a special office representative of yourself and his decisions are regarded as having been made by you.

Consequently I cannot announce my resignation without your explicit approval. I would therefore request your decision, especially in the light of the memorandum on the situation in Danzig⁴ which I forwarded to you through the Foreign Minister. In view of the circumstances, your decision might be of quite exceptional importance not merely for the settlement of a clash of personalities but also for the survival of Danzig.

Heil!

RAUSCHNING

³ Rauschning had visited Warsaw for conversations with Pilsudski and Beck on Dec. 11 and 12, 1933. An unsigned memorandum of Jan. 14, 1934 (6601/E495072-77), records the report on his conversations which Rauschning made in the Foreign Ministry that day. Declarations exchanged between Pilsudski and Rauschning were forwarded with Danzig reports I G 15 of Jan. 2, 1934 (9081/E637713-15) and I G 48 of Jan. 11 (9081/E637719-24).

⁴ Document No. 224, enclosure.

[EDITORS' NOTE. On October 9, 1934, King Alexander of Yugoslavia and M. Barthou, the French Foreign Minister, were assassinated by Vlado Georgiejev, a Croat terrorist, when driving through Marseilles, where King Alexander had arrived on a state visit to France.

On October 19, the Foreign Ministers of the Little Entente, who had attended the funeral of the King on October 17, met in Belgrade and issued a statement calling for international action to put an end to organized terrorism. The meeting was also attended by the Greek and Turkish Foreign Ministers who signed an identical statement in the name of the Balkan Pact States.

In a letter of November 22, 1934, the Yugoslav Government requested the Secretary General of the League of Nations, under Article 11, paragraph 2, of the Covenant, to place the question of the assassination, and of Hungarian responsibility in having given asylum to terrorist *émigrés*, on the agenda of the forthcoming ordinary session of the Council of the League of Nations (see League of Nations: *Official Journal*, December 1934, pp. 1765-1766). The Yugoslav complaint was dealt with at an extraordinary session of the Council on December 7-10, Eden being appointed *rapporteur* and presenting a draft resolution, which was unanimously adopted by the Council on December 10, providing for the setting up of a committee of experts to study the question of repressing terrorist activity with a view to drawing up a draft international convention (see *ibid.*, pp. 1712-1728 and 1730-1760).]

No. 237

9119/E641851

The Ambassador in the United States to the Foreign Ministry

Telegram

No. 373 of October 9

WASHINGTON, October 9, 1934—9:03 p.m.

Received October 10—6:45 a.m.

W 8826.

With reference to paragraph II of your telegram No. 246 of September 27.¹

When I sounded Hull today he did not show any surprise at the possibility that the transfer of the Dawes coupon would not be effected. He seemed inclined to recognize that the treatment—which he regards as discrimination—of American creditors is chiefly due to pressure exerted by the other Powers for preferential treatment. But, as he emphasized, he still hopes that a transfer of the amount, which he considers relatively insignificant, would be effected as this would also be in the interest of Germany's credit in the United States. He would be

¹ Document No. 221.

grateful if he could be informed of the German Government's final decision before the date of maturity.

I gained the impression from the conversation that the idea of American counter measures in the case of non-payment had been abandoned, although the objection to discrimination would none the less be maintained.

Moreover, as I learned from another division of the State Department, the Department is opposed to any *quid pro quo* in the form of payment of debts against commercial agreements. The American reply to our last Note has still not been decided upon.

The press having refrained from discussing the problem for some time, the Hearst newspapers have again taken it up for the first time today.

LUTHER

No. 238

3242/715916-17

Memorandum by the Director of Department III

BERLIN, October 9, 1934.

[zu W 8826.]¹

A discussion, in which Count Schwerin Krosigk, Ministerialdirigent Berger, President of the Reichsbank Schacht, Counsellor Baer and myself took part, was held this evening in the Reich Ministry of Finance regarding the question of servicing the American Dawes coupon falling due on October 15. Herr Schacht declared that the foreign exchange situation made a transfer of the amount due (approximately 2½ million Reichsmark) impossible and that such action would also mean a departure from the line which he had consistently taken with the Americans during the last few months. The fact that we were servicing the British Dawes quota could not give the Americans any cause for complaint, since the British were rendering us services in return for this whereas the Americans had hitherto, despite German insistence, rejected any discussion of American-German economic questions still pending.² Nevertheless, so as not to appear completely negative, Herr Schacht was prepared to inform the Americans that the amount due on October 15 would be made available in free *Registermark*. He was also prepared to service the American Young coupon falling due in December, which was substantially higher (approximately twelve million Reichsmark), in the same way. I explained once again briefly what the political disadvantages would be if the impression were

¹ Document No. 237. The reference is taken from another copy of this memorandum (9509/E670221-22).

² See *Foreign Relations of the United States, 1934*, vol. II, pp. 427-430, 433-437 and 443-444.

created in America that American creditors were being given differential treatment in this matter, but said that, in view of the foreign exchange situation, I was in agreement with the proposal made by Herr Schacht. The Reich Minister of Finance also considered Herr Schacht's proposal to be a practical solution. The details are to be settled today between Counsellor Baer, Ministerialdirigent Berger and the Reichsbank, and appropriate instructions are then to be sent to Washington.³

Respectfully submitted herewith through the State Secretary to the Reich Minister.

DIECKHOFF ⁴

³ Marginal note in Neurath's handwriting: "Agreed."

⁴ By telegram No. 254 of Oct. 10 (9119/E641852-54) the German Embassy in Washington was instructed to inform the American Government that provisions had been made to meet 50 per cent of the interest payment due on Oct. 15. Special agreements with Britain, France, Switzerland, Holland, Belgium, Sweden and Italy provided for the coupons of those who had complied with the provisions of these agreements to be serviced in full. Other coupon holders would be given the opportunity to receive payment in Reichsmark, for the use of which the same provisions would apply as for *Registermark*. The holders of coupons presented in Germany would be paid in Reichsmark, which would be subject to the ordinary German foreign exchange regulations. Telegram No. 375 of Oct. 11 from Washington (9119/E641860) stated that Hull had that day been informed accordingly and that no new points of view had emerged from the conversation. The American Ambassador in Berlin protested to Bülow about discrimination against American bondholders and left an *aide-memoire* on Oct. 11 (9119/E641856-58). See also *Foreign Relations of the United States, 1934*, vol. II, pp. 385-386.

No. 239

8889/E621317-18

Memorandum by the State Secretary

BERLIN, October 10, 1934.

W 8846.

The Japanese Ambassador¹ called on me today to inform me that, on the assumption that no important events would take place in Germany in the next few weeks, he would be paying a short visit to Tokyo in order to report to his Government on the development of affairs in Germany. He did not say one word about his recall. At the conclusion of his visit he introduced his Chargé d'Affaires to me.

The Ambassador spoke at some length about the events at Marseilles.²

He then asked me about our attitude on the question of raising the Italian Legation in Peking to an Embassy. I told him that we were surprised at the Italian move and that we did not know the attitude of the other Governments but were asking them about it. The Chinese

¹ Matsuzo Nagai.

² See Editors' Note, p. 468.

Minister³ here had proposed that we should follow the Italian example. No decision had yet been made on this proposal nor was one to be expected in the near future. Our attitude in principle to the embassy question was negative, not on political grounds, which had no weight with us at all, but from general protocol and other considerations. We disapproved of the ambassadorial inflation which was general today and which made nonsense of the Vienna Protocol of 1815,⁴ and were also inclined to pay attention to German public opinion which would not approve of an increase in the number of Embassies. It would be a different matter if there were political reasons which might induce us to raise our Legations in Warsaw or Brussels to Embassies. The Japanese Ambassador was of course quite satisfied with this information.

The Ambassador then mentioned that public opinion in Japan was demanding a clearing agreement with Germany in view of the fact that German exports to Japan were seven times as high as Japanese exports to Germany. He, the Ambassador, was against a clearing agreement and he would send his Commercial Attaché⁵ to the Economic Department in order to discuss measures for promoting Japanese trade with the idea of thereby combating the trend of public opinion in Japan. I encouraged the Ambassador in his views and pointed out that in view of the great distance and the necessity for repeatedly adjusting all clearing agreements to meet the existing situation, an agreement between Germany and Japan would, apart from all fundamental considerations, of which he was of course aware, be a dangerous experiment.⁶ BÜLOW⁷

³ Liu Chung-chieh.

⁴ The *Règlement sur le rang entre les Agens Diplomatiques*, signed on Mar. 13, 1815, forming Annex XVII to the Final Act of the Congress of Vienna. For the text, in French, see *B.F.S.P.*, vol. II, pp. 179-180.

⁵ A. Nagai, the Commercial Secretary.

⁶ Further material on the subject of a German-Japanese clearing agreement has been filmed on Serial 8889.

⁷ Marginal note: "The Commercial Attaché has meanwhile been here. He will be coming again in the course of this week with detailed proposals. He also stated of his own accord that he was *opposed* to a clearing agreement, and asked for my opinion too. I encouraged him in his opinion. Kr[oll], Oct. 18."

No. 240

5708/H021978-79

Memorandum by an Official of Department II

BERLIN, October 10, 1934.
e.o. II Fr. 3388.

The leader of the "Christian Commando" [*Christliche Kampfschar*], Freiherr von der Ropp,¹ called on me today in order to tell me of the

¹ Friedrich Freiherr von der Ropp.

impressions he had gained during his most recent visit to France. The most important item was his account of a conversation which he had about a fortnight ago with the French Minister for Colonies, M. Laval. During his conversation, M. Laval asked Freiherr von der Ropp about the mood prevailing in Germany today and expressed his concern about political developments. Freiherr von der Ropp believes that it emerged from M. Laval's statements that he was not in agreement with Barthou's foreign policy and considered a direct German-French understanding necessary.

Freiherr von der Ropp has written a memorandum on this conversation, of which he handed me two copies.² He said that he had already sent a copy to Herr von Ribbentrop. (The passages concerning the more noteworthy statements by M. Laval are sidlined in red on pages 7 to 17 of the attached copy.) At the end of the conversation, Herr von der Ropp said that he thought that, now that Barthou was dead, Germany should make efforts to get M. Laval put in charge of the French Foreign Ministry. He was prepared to invite his friend René Vallet, who was a very close friend of M. Laval's, to come to Berlin at once; we might then perhaps let it be made known in Paris, through M. Vallet, how desirable we thought it that M. Laval should become French Foreign Minister. I tried to make it clear to Herr von der Ropp that an attempt to influence the appointment of the new French Foreign Minister in the manner he had in mind could not lead to the result desired by him.

Submitted herewith to Ministerialdirektor Köpke.

V. RINTELEN

² Not printed (5708/H021980-96). The memorandum, which is not dated, is entitled "Peace with France" and is divided into three sections: "The General Situation", "Personal particulars about Pierre Laval" and "The conversation with Laval"; this conversation took place on Sept. 25.

No. 241

7824/E567405-06

The Ambassador in Italy to the Foreign Ministry

Telegram

No. 232 of October 11

ROME, October 11, 1934—9:10 p.m.

Received October 12—1:50 a.m.

II Oe. 2879.

Today Aloisi discussed the Austrian question with me in detail. He first gave an *exposé* of his attitude and explained that it had been his aim to avoid any semblance of encirclement of Germany and to leave the door open for cooperation by Germany. For this reason he had opposed French plans designed, firstly, to turn the issue into one

for the League of Nations and, secondly, to enlist the cooperation of the States of the Little Entente. The declaration agreed upon¹ went somewhat further than the February declaration but contained nothing to which Germany could take exception; on the other hand, work would now have to be continued on this basis. Each one of the three nations was free to act independently in the spirit of this declaration, and it was obvious that Italy would now have to embark on conversations with Austria. Similarly, it had been intended to continue discussion of the problem between France and Italy during the Mussolini-Barthou meeting.² He believed, however, now that he had heard what I had told Suvich concerning the dissolution of the Landesleitung Austria in the Reich, etc., and concerning the German Government's decision not to meddle in any way in Austria's internal affairs (see report I 1126 of Oct. 4),³ that the whole question could be set on the way to a solution. This seemed to him to provide a basis for an Italian request to Germany to accede to the declaration. This had, in fact, always been his (Aloisi's) aim and he had already informed Barthou in this sense, but only now that he had learned of the German Government's point of view from the information I had given Suvich—with which, incidentally, a telegram from Cerruti about a conversation with me was completely identical—did he see a practical opportunity of following it up. This was, however, in the meantime only his private view and he would ask me to describe it purely as such to Berlin. But he considered the matter to be extremely important since Austria's disturbing effect on German-Italian relations would thus be eliminated and, furthermore, the idea of a Four Power pact could be taken up again in a new form and the dangerous tendency towards the formation of blocs be counteracted. Provision could be made for other countries, for example the States of the Little Entente, to accede. Such a Four Power declaration could, at the same time, affect favourably the further treatment of the Saar problem. I replied that his suggestion seemed to me to be most interesting and valuable but that I could naturally not comment on it officially.

As I shall probably be seeing Mussolini during the next few days, and as he might refer to Aloisi's idea, especially since it is most probably not a suggestion of Aloisi's own, I should be grateful if you would instruct me by telegram soon as to how I should respond to the suggestion.⁴

HASSELL

¹ See document No. 230, footnote 8.

² Barthou's visit to Rome had been planned for Nov. 4; see *The Times* of Oct. 10, 1934, and Editors' Note, p. 468.

³ Document No. 230.

⁴ In telegram No. 301 of Oct. 13 (7824/E567407-09), Neurath informed Hassell that Aloisi's initiative had come as a surprise. He saw no reason why Germany should accede to the Three Power Declaration which had clearly been directed against her. It was regrettable that Italy still regarded Austria as a disturbing factor in Italo-German relations. The most important question now was how Austria herself would react to

No. 242

7894/E572969-72

*Circular of the Foreign Ministry*¹

URGENT

BERLIN, October 11, 1934.

Drafting Officer:

zu II SG.6254.²

Senior Counsellor Voigt.

With reference to despatch II SG.5996 of September 22.³

I venture to send you herewith for your information copy of a telegram from the German Embassy in Paris² on the attitude of the French Government to the Saar question and especially on the considerations which caused the French Government, for their part too, to press for a solution of the Saar question on the lines of perpetuating the present Saar régime and to use the League of Nations for this purpose.

Without going into details I would like to point out that we shall probably have to expect the French to intensify their activities on behalf of the *status quo* solution. League of Nation circles are apparently displaying a negative attitude to these activities and, in any case, have so far not responded to French suggestions. Actually, the League of Nations ought to take a clear stand against these French proclivities, since they amount to violating the Treaty. As the Treaty stands, the *status quo* solution would mean the perpetuation of foreign rule over the people of the Saar and according France economic hegemony in the Saar Territory which, in the end, would be no other than a prologue to annexation of the Territory by France. France is seeking to gloss over this simple legal and actual situation in that she is attempting to make the *status quo* palatable to the people of the Saar by representing it as a liberal and democratic régime with great economic advantages. It is, moreover, her intention to hold out prospects of a possible second plebiscite, should there be a change of régime in Germany, and she is taking up suggestions to this effect from the Separatist-Marxist camp. These policies clearly run counter to the Versailles Treaty. Admittedly, the League of Nations will now find it difficult to adopt the French suggestions but, on the other hand, will scarcely oppose them. It will be all the more necessary for us to

¹ Addressees were the Missions in London, Rome, Madrid, Ankara, Washington, Berne, The Hague, Brussels, Warsaw, Prague, Vienna, Copenhagen, Stockholm, Budapest, Belgrade and Luxembourg; and the Consulate in Geneva.

² Document No. 228.

³ Not printed (7894/E572919-20).

Papen's mission of reconciliation. Hassell was instructed not to follow up the matter, and to make use of the foregoing arguments only if approached by the Italians. In a letter to Köpke of Oct. 17, 1934 (6001/E443041-44), Hassell pressed for a careful examination of the Aloisi proposal.

take every opportunity of drawing attention to the fact that the French view on the Saar question is a contravention of the Treaty.

There can surely be no doubt in the minds of the French Government that the plebiscite will never produce a majority for the *status quo*. Nevertheless, they are apparently hoping to increase not inconsiderably the percentage of anti-German votes by systematically encouraging supporters of the *status quo* so that they may then, by referring to this "minority", strike a blow at the prestige of the new Germany and be able to make the reintegration of the Saar Territory into Germany the subject of various conditions and stipulations.

*Supplement to 1 only.*⁴ According to the penultimate paragraph of the enclosed report, the conversations between Barthou and representatives of the British Government at Geneva are supposed to have led to a British alignment with the French view; the British, in particular, are said to have shown interest in the French idea of turning the Saar Territory into a structure similar to Danzig. You should obtain the British Government's views on this subject.

By order:
KÖPKE

⁴ i.e., to the Embassy in London only.

No. 243

3015/598316-17

Memorandum by the Foreign Minister

BERLIN, October 11, 1934.
RM 1146.

This morning I gave the Führer the attached communication from Rauschning, the President of the Danzig Senate,¹ and at the same time informed him about the state of affairs there and the repercussions of the conflict between Rauschning and the Party leader in Danzig. The Führer was fully informed about the conflict. He said that already on a previous occasion² he had with much difficulty settled the differences between the Party leadership and Rauschning. He refused to take the decision requested by Rauschning as to whether or not he should continue in his office of President of the Senate. If he were to do so, he would be guilty of intervention in sovereign territory not under his control. If Herr Rauschning, who had become President of the Senate in Danzig as a National Socialist and through the National Socialist Party, no longer had the confidence of the Party there, he

¹ Document No. 236.

² In December 1933; see vol. II of this Series.

must take the consequences and go. He, the Chancellor, would not keep him.

I pointed out to the Führer that if a vote of no-confidence against Rauschning were passed by his own Party, this would present a grotesque picture and would also detract from the position of the future President of the Senate if he were a National Socialist. The Führer then informed me that negotiations were already in train between Herr Rauschning and Gauleiter Forster regarding Rauschning's resignation. He instructed me to inform Rauschning, or have him informed, that he neither could nor would keep him. However, he wished the matter to be settled without any scandal.

V. N[EURATH]

No. 244

8825/E614222-23

President of the Danzig Senate Rauschning to Ministerialdirektor Meyer

WARNAU, October 11, 1934.

DEAR DR. MEYER: I beg to bring to your notice a number of events which have taken place in Danzig in the past week, in particular the discharge of my two closest colleagues in political and economic work, Herr Georg Streiter and Herr Dipl. Ing. Bechmann,¹ despite the fact that at Gau headquarters agreement with my policy and with me personally had been publicly expressed. The situation has become extremely critical through these and a number of other ill-considered acts which are being reported to you orally to be passed on as you see fit.

In any case, unless a decision is taken very soon I shall consider myself obliged to carry out my intention—of which I have informed State Secretary von Bülow—of assuming office once more and demanding officially of your representative in Danzig the temporary recall of Staatsrat Forster, since he is jeopardizing Danzig's position abroad and her independence *vis-à-vis* Poland. It will then be possible to avoid not only a public conflict, but also the necessity of compelling my resignation by a vote of no-confidence in the Volkstag.

I am, in any case, unable to accept a solution of the present crisis simply through an order from the Gauleiter. It is the preservation of Danzig as a German city which has been called in question, and I must perform my duty as the responsible leader of the State.

¹ In a letter of Oct. 11 to Greiser, a copy of which (8825/E614226) was enclosed with the document here printed, Rauschning demanded the reinstatement of Streiter and Bechmann, whom he described as "my personal assistants [*meine persönlichen Referenten*]".

I would be grateful if you would inform the Reich Foreign Minister in the sense of this statement and let me know as soon as possible whether and when a decision by the Führer may be expected.

I enclose a memorandum on my conversation with State Secretary von Bülow for your information.² I would be grateful if you would obtain the State Secretary's written confirmation of its contents.³

Yours etc.,

RAUSCHNING

² Not printed (8825/E614224-25). This memorandum, dated Oct. 11, gave an account of Rauschning's conversation with the State Secretary on Oct. 6; see document No. 236 and footnote 4 thereto.

³ Marginal note: "Discussed with the Foreign Minister and the State Secretary. The State Secretary refused to make any sort of statement [as] this is never done. M[eyer], Oct. 13."

No. 245

8115/E580862-64

The Ambassador to the Holy See to the Foreign Ministry

Telegram

URGENT

No. 80 of October 11

ROME, October 12, 1934—11:50 a.m.

Received October 12—4:00 p.m.

II Vat. 1149.

His Holiness received my wife and myself today in the traditional autumn audience.

The Pope greeted us with his usual friendliness, but a strong suppressed agitation was immediately noticeable.

After a few remarks about the excellent progress of the Eucharistic Congress at Buenos Aires, the tragic events at Marseilles¹ and the disquieting situation in Spain,² the Pope, obviously quite purposely, turned the conversation to Germany. All sorts of events, especially in recent months, had given him cause for serious anxiety, not only about the Church but also about Germany as a whole. The Pope read out a report from the French newspaper *L'Aube* which had just been submitted to him and according to which a National Catholic Church had been established at Essen with its own Bishop, services in the German language and the admission of Protestants. Similar reports had reached him from many quarters. To all appearances Germany wanted to bring about a schism, but despite all sufferings and persecutions the Catholic Church would remain unharmed, for she was under God's protection; however, the aspirations of which he had spoken entailed serious dangers. Moreover, he could not conceal from me his

¹ See Editors' Note, p. 468.

² A general strike and open outbreaks of violence had occurred during the weekend of Oct. 5-7.

great dissatisfaction over the slow and unsatisfactory progress of the negotiations hitherto; he was beginning to doubt our good will, at any rate Government agreements and orders were being frustrated and hampered by Party authorities. It would, in the long run, be impossible for him to continue to show the restraint which he had so far frequently shown.

I protested against the Pope's accusations, and said emphatically that I was unable to share his anxiety. The Government had no intention whatever of establishing a National Catholic Church and I was hoping that, with the good will which I assumed existed on both sides, the negotiations would lead to a satisfactory outcome soon after the return of the Cardinal Secretary of State.³ After the audience I introduced Herr and Frau Budde.⁴

Although a speeding up of the negotiations is most desirable and has been impatiently awaited by the Pope, I would renew my plea that the negotiations be protracted until the Cardinal Secretary of State returns; without his moderating influence the danger that, under certain circumstances, the Pope will take disastrous decisions is considerably increased.

BERGEN⁵

³ See document No. 212 and footnote 6 thereto.

⁴ Dr. E. Budde was Secretary at the Embassy to the Holy See.

⁵ Marginal notes: (i) "R[eich] C[hancellor]. v[on] N[eurath], Oct. 12." (ii) "The Reich Chancellor is informed. L[ammers], Oct. 16."

No. 246

L432/L123998-4000

The Chargé d'Affaires in Great Britain to the Foreign Ministry

Telegram

No. 285 of October 12

LONDON, October 12, 1934—9:20 p.m.

Received October 13—12:35 a.m.

VI A 4383.

For the Foreign Minister, the State Secretary and Herr Dieckhoff personally.

The Bishop of Chichester called on me today and began by saying that he had really meant to await the return from leave of the Ambassador, whom he knew well, before embarking on this conversation, but the matter he wished to discuss was so urgent that he could delay no longer. Most alarming reports from all quarters during the last few days had reached the Archbishop of Canterbury, with whom he had spoken this afternoon prior to his talk with me, and also himself, as the Chairman of the World Council for Christian Life and Work [*sic*],¹

¹ i.e., the Universal Christian Council for Life and Work.

concerning Reich Bishop Müller's action against opposition in Southern Germany, especially against Bishops Meiser and Wurm.² He had therefore called to inform me not only on his own account but also on behalf of the Archbishop that, should the above reports, which were also contained in despatches from British newspaper correspondents, prove to be correct, a complete breach would forthwith become inevitable and would be officially declared between all Protestant Churches abroad and the German Protestant Churches led by the Reich Bishop.

The Bishop then described to me at length, with great seriousness but also with sympathy for the need for a gradual unification of the German Protestant Churches, the profound anxiety which was shared by everyone throughout the country, about the forcible unification of the Churches by the Reich Bishop; he also referred to the tremendous repercussions, which were bound to result from this conflict on all circles in Britain which were either entirely non-political or else well-disposed towards the new Germany. Again and again he reverted to the point that, despite repeated statements by leading members of the Government that the State was not concerned with the Church conflict, it nevertheless appeared from reports received that the Government authorities were supporting the Reich Bishop and his actions. He referred particularly to reports reaching the press . . . (group mutilated) direct which indicated that the Secret State Police had assisted in the arrest of Bishops Wurm and Meiser. According to his information, the Protestant opposition was not against unification but only against the speed with which it was being sought and the measures applied by the Reich Bishop, and especially by Dr. Jäger,³ whom he regarded as chiefly responsible. In general, authoritative Church circles abroad were convinced that the Chancellor was not adequately informed as to the actual events or their repercussions abroad.

I vigorously contested this view and tried to convince the Bishop that, in my opinion, the foreign press was, as, unfortunately, it always tended to do, exaggerating the conflict in order to give prominence to anything unfavourable to Germany. At any rate, I endeavoured to allay his deep anxiety over the possibility of a deliberate renunciation of Christianity in Germany but I fear that I have made little impression with my counter arguments upon the Bishop who is most fully informed about these events, even to the minutest detail.

The conversation, which was serious and cordial, was obviously sought by the Bishop with a view to preventing a final breach with his

² Bishop Wurm, the suspended *Land* Bishop of Württemberg, had been placed under house arrest on Oct. 10. Dr. Meiser, the Evangelical Bishop of Bavaria, was dismissed from his office on Oct. 11.

³ Legal Administrator of the Reich [German Evangelical] Church.

German co-religionists. The prominence given to the German Church conflict during the last few days, as a result of the Reich Bishop's actions in Southern Germany, the significance of which is emphasized in today's leading article in *The Times* (where pride of place has been given to the matter over all other important foreign political news) proves yet again, when taken in conjunction with the Bishop of Chichester's visit today, how vitally important an early settlement of this conflict is, as has been constantly stressed in Embassy reports, it being absolutely essential if Anglo-German relations are to be improved.⁴

BISMARCK

⁴ A copy of this telegram (L434/L124744-46) was sent by Neurath to Lammers for submission to the Führer under a covering letter of Oct. 13 (L434/L124743) which is marked: "The Führer is informed. L[ammers], Oct. 16."

No. 247

4620/E200317-18

State Secretary Bülow to Minister Trautmann

PERSONAL AND CONFIDENTIAL

BERLIN, October 12, 1934.

Sent October 18.

DEAR TRAUTMANN: I have written to Dirksen as follows:

"You will not have failed to notice that there is in progress an encirclement of Japan which must be taken seriously. The interest which Washington and certain League of Nations Powers are showing in Russia is partly connected with this. This last factor is dangerous for us because in the case of conflict in the Far East moves would probably be made against us in order to make certain that we did not attack Russia in the rear or even merely cause disquiet. You should therefore direct your attention to two points in particular: 1. Any sign of a real danger of a Russo-Japanese war. 2. The avoidance of any close relations with Japan which might lay us open to being suspected of wishing to render assistance against Russia. Judging from your reports and from other information, we do not believe there is an acute danger of war in the Far East. The encirclement of Japan may, however, easily result in unforeseen and undesirable developments."¹

With best wishes,

Yours,

BÜLOW

¹ In a personal letter of Dec. 14 (4620/E200319-20) Dirksen replied that he was restricting relations with Hirota, the Japanese Foreign Minister, to a minimum and that the Military and Naval Attachés were doing the same in respect of the Japanese Service Departments.

No. 248

3015/598321-22

Memorandum by the Foreign Minister

BERLIN, October 13, 1934.

RM 1154.

Today I made the following communication to President of the Senate Rauschning, by order of the Führer:¹

The Führer had received his letter of October 8.² He must refuse to take the decision there requested by Herr Rauschning as by doing so he would be guilty of intervention in the affairs of a sovereign State not under his control. If Herr Rauschning, who was elected President of the Senate as a National Socialist and through the National Socialist Party in Danzig, no longer had the confidence of the Party there, he must take the consequences. He, the Reich Chancellor, could not keep him.

Herr Rauschning asked that this statement be given to him in writing. I refused this at first, on the grounds that my oral statement must suffice. He repeated his request, however, explaining that he must be covered *vis-à-vis* his supporters in Danzig if he were now to send in his resignation. He did not intend to publish the communication. I thereupon promised Herr Rauschning to send him, through the Consulate General in Danzig, confirmation of the communication I had made to him.³

In the course of the conversation Herr Rauschning complained of statements which had been made by Herr Forster and his group to the effect that he had demanded, in the case of his voluntary resignation from the post of President of the Senate, to be assured of certain financial grants and of payment of his private debts. He wished to deny this assertion most emphatically. The compensation due to a retiring President of the Senate is provided for in the Danzig Constitution. He had not made any demands which exceeded this.

I warned Herr Rauschning against becoming the centre of any *fronde* after his resignation. This warning appeared to me to be necessary because the tone and expressions used by Herr Rauschning in speaking of his opponents in the Party lacked all moderation. He had the presumption to threaten me personally and tell me that I would be responsible for the consequences which might arise from the

¹ See document No. 243.

² Document No. 236.

³ Nothing further has been found on this excepting Danzig report I G 1459 of Oct. 23 (8825/E614219), in which Radowitz informed the Foreign Ministry that he had seen Rauschning the day before and had, as instructed, communicated the negative decision to him.

Führer's refusal to support him against his political opponents in Danzig. Thereupon I broke off the conversation.

V. N[EURATH]

No. 249

3015/598323

Memorandum by the Foreign Minister

BERLIN, October 13, 1934.

RM 1157.

I received Gauleiter Forster this afternoon and informed him of my conversation with President of the Senate Rauschning today.¹ Herr Forster stated, among other things, that it was true that Herr Rauschning had not demanded financial compensation in the case of his voluntary retirement, but had only asked how much he would be paid if he caused no scandal.

Regarding a written notification to Herr Rauschning of the Führer's decision, Herr Forster was of the opinion that it would be better not to give one.

In conclusion Herr Forster stated he would in future keep in closer touch than hitherto with the Foreign Ministry on all Danzig affairs, as I had urged him to do.

V. N[EURATH]

¹ See document No. 248.

No. 250

9510/E670680-85

The Foreign Ministry to the Reich Finance Ministry

MOST URGENT

BERLIN, October 15, 1934.

CONFIDENTIAL

zu W 8852.¹

With reference to the letter you have received from the Reich Ministry of Economics, dated October 10, 1934—VI/182—and addressed to Ministerialdirigent Berger.¹

Despite the restrictions on foreign exports inherent in and, indeed, intended by the "New Plan",² it was received abroad with understanding in that its basic idea of adjusting imports to Germany's

¹ This letter (9510/E670674-79) from the Reich Ministry of Economics to the Foreign Ministry, the Reich Ministry of Food and Agriculture, the Reich Finance Ministry and the Directorate of the Reichsbank, outlined the discussions at The Hague between German and Dutch Government representatives on the question of interest payments and outstanding commercial debts.

² See documents Nos. 175 and 207.

precarious foreign exchange position was acknowledged to be economically sound. But it is only for the future that the Plan can bring about an improvement in the import situation, which has become intolerable in recent months; it does not, however, solve the problem of the so-called old trade debts. But it is precisely this problem which is proving to be an intolerable burden not only on our trade and economic relations but also on our general political relations with foreign countries. Whereas the restrictions on the transfer of interest have only affected the actual creditor countries and only certain strata even in these, the non-payment of the trade debts is having an effect on all countries and in these on a group of persons which is as large as it is influential. Moreover, failure to make the expected payments for *goods already delivered* not only greatly embitters foreign sellers but often also puts them materially in a difficult position. The result is that the longer large sections of trade and industry have to wait for payment of the goods they delivered to Germany, the more the already not very friendly feeling abroad is exacerbated. The spread of this hostile attitude is a serious hindrance to our foreign policy, not only as an element in the general atmosphere but also more particularly because it leads literally to a paralysis of our freedom of action in all spheres of foreign policy, a freedom which is already very much restricted by the shortage of foreign exchange. Any such action, which is by its nature connected with the expenditure of a certain amount of foreign currency, immediately calls forth the criticism that Germany should first discharge her arrears of trade debts before spending foreign exchange for other purposes.

It has indeed been possible to come to an understanding, under the clearing agreements concluded with various countries during the last few months, regarding a method for paying off these old debts. An attempt to reach an agreement on this cardinal point will also have to be made during the Anglo-German negotiations which are at present in train.³ However, in view of the extent of the obligations and the small quantity of foreign currency available, such an understanding in this case, as in that of Holland, can in practice only consist of a gradual discharge of this complex of debts, which in the most favourable circumstances would require a period of eighteen months (in the case of Holland at least two years). This would indeed settle the question on paper but in fact it would impair our relations for a long time to come. In an effort to find a remedy for this, the President of the Reichsbank has therefore discussed with the Presidents of the Dutch

³ Ritter had proposed to Pinsent on Sept. 10 that the British and German Governments should discuss how the methods of payment could be adapted to the German "New Plan" (7265/E533210-13). The first stage of these discussions took place in Berlin on Sept. 19-27; a *résumé* of these discussions is given in a memorandum by Ulrich of Oct. 1 (7721/E549142-51).

and British issuing banks⁴ the question of whether these banks could not advance to the creditors in guilders and sterling the amounts still outstanding on their deliveries of goods to Germany, so that they [the banks] could then obtain from the Reichsbank, by a system of regular fixed instalments, a refund of the sums advanced. M. Trip⁵ and Mr. Montague Norman have declared themselves in agreement in principle with a temporary arrangement of this kind but have demanded a currency guarantee from the Reichsbank. According to information from the Reichsbank, however, there can be no question of such a currency guarantee, if only because of its prejudicial effect. However, it [the guarantee] is only necessary for as long as the overdue German debts appear as Reichsmark obligations of the Reichsbank or the Clearing Bank. Should these Reichsmark obligations be converted into guilder and sterling obligations, it would obviate the question of a guarantee by the Reichsbank to the foreign banks of issue who make the advances. Technically, a gradual repayment in these currencies would not meet with any difficulties, as this has in itself already been provided for in the German-Dutch clearing agreement⁶ and would also have to be included in an Anglo-German agreement.

If such a conversion of the old trade debts into foreign currency obligations is carried out, however, the question arises as to how to ensure, during the two-year period of the debt repayments, that the Reichsbank or the Clearing Bank will receive from the German debtors the Reichsmark amount equivalent to the value in foreign currency even if the present rate of the mark should alter during this period. This question arises particularly in respect of the so-called special accounts into which the German debtor has already paid his debt in Reichsmark whilst the transfer has not yet been made. In that case it is clear that the debtor could not be expected to make an additional payment in Reichsmark if the exchange rate should fall. Furthermore, as there can be no question of the Reichsbank or the Clearing Bank being under an obligation to make an additional payment, the only solution would be that, if necessary, the Reich would provide the necessary supplementary amounts in Reichsmark if the rate of the mark should unexpectedly alter during the period of repayment. Finally, should this question become acute during the critical period, any decision in this matter would be reserved to the Reich Government.

Such a possible liability of the Reich for the exchange rate in regard to overdue debts would, for the moment, have a purely formal advantage in that it would be a matter of an internal German arrangement

⁴ According to the letter cited in footnote 1 above these discussions took place during a meeting of the Bank for International Settlements at Basle on Oct. 6-8.

⁵ L. J. A. Trip, President of the Nederlandsche Bank.

⁶ The German-Netherlands Clearing Agreement of Sept. 21, 1934 (9636/E679747-59), with secret protocol of even date (9636/E679760-72). The Agreement was denounced by the Dutch on Nov. 2, 1934, with effect from Nov. 16 (9636/E679774-76).

between the Reich and the Reichsbank or Clearing Bank. A fresh obligation *vis-à-vis* foreign countries would not arise, since the arrears of trade debts are in any case foreign currency commitments. Moreover, the proposed solution would produce the extremely important practical result that one of the most serious encumbrances on our international relations could in this way be speedily removed.

You are requested to consider the matter from this point of view. It is to be discussed at one of the next meetings of the Commercial Policy Committee to which Department I of the Reich Ministry of Finance will be especially invited.

Copies of this document will be sent to the members of the Commercial Policy Committee, the Directorate of the Reichsbank and the Head of the Reich Office for Foreign Exchange Control.⁷

By order:
[Bülow]⁸

⁷ A letter of Oct. 15, 1934 (9510/E670687) from Reichsbankdirektor Puhl to Senior Counsellor Ulrich indicates that the Reichsbank approved this document in draft form, and advocated its speedy circulation.

⁸ Bülow's initial validating this document is on the *Angabe* to it (9510/E670686) under which copies were sent to the offices concerned.

No. 251

L432/L124001-02

Memorandum by an Official of Department VI

BERLIN, October 15, 1934.

VI A 4383.

Public opinion abroad has recently been greatly agitated by events in the Evangelical Church in Württemberg and Bavaria.¹ The foreign press is continually publishing reports about increasing intervention by Government authorities as well as by the National Socialist Party organization and the SA in the removal of Evangelical clergymen from their offices or in preventing them from performing their official duties.

All reports received here indicate unanimously and clearly that opposition by public opinion abroad to the coercive methods applied by the Church authorities is increasing. Moreover, as a result of the intervention in the Church conflict by Government and Party authorities, opinion abroad now tends to attribute responsibility to the State itself for the events which are regarded as giving the lie to the declaration of neutrality previously made by the State and the Party. As a result the Church question has become more and more a question of the political prestige of the Reich itself.

According to reliable reports received here it is to be feared that the

¹ See document No. 246, footnote 2.

Evangelical Churches abroad will, in the near future, concern themselves seriously with the religious situation in the Reich.

After the Bishop of Chichester, in a conversation with our Chargé d'Affaires in London on October 12,² had informed him on behalf of the Archbishop of Canterbury that, should the reports received abroad prove correct, an official and complete breach between all Protestant Churches abroad and the Church in the Reich would soon become inevitable, it transpired that a meeting of the Administrative Committee of the Stockholm Movement was immediately to be convened in order to discuss the religious situation in the Reich.³

The Lutheran World Convention, which many prominent Lutherans from abroad will attend, is to meet in Munich from November 12 to 19. In view of the attitude of these circles it is probable that resolutions will be passed which will be embarrassing not only for the Church but also for the Reich. Finally, a meeting of the Reformed Churches of the world is taking place in Amsterdam at the end of November.

Respectfully submitted herewith, in accordance with instructions, to the Foreign Minister through the State Secretary.⁴

ROEDIGER

² See document No. 246.

³ A meeting of the Administrative Committee of the Universal Christian Council for Life and Work took place at Chichester on Oct. 25-27, 1934, and had before it a full report of the meeting of the Confessional Synod of the German Evangelical Church (held at Berlin-Dahlem on Oct. 19-20).

⁴ The copy of this document received by Neurath (3241/702395-97) was amended in his handwriting (with the exception of the passage in parentheses in paragraph 1 below, which was substituted in the fair copy (3241/702398-99) in an unidentified handwriting) to read as follows:

"Public opinion abroad, particularly in the circles which hitherto have not been hostile to developments in Germany, has recently been greatly agitated by the events in the Evangelical Church in Württemberg and Bavaria. The foreign press is continually publishing reports about increasing intervention by Government authorities as well as by (the political organization of the Party) and by the SA in the removal of Evangelical clergymen from their offices or in preventing them from performing their official duties.

"As a result of this intervention, opinion abroad now attributes responsibility to the State for events which are regarded as giving the lie to the declaration of neutrality previously made by the State and the Party. As a result the Church question has become more and more a question of the political prestige of the Reich itself.

"According to reliable reports received here it is to be feared that the Evangelical Churches abroad will, in the near future, concern themselves seriously with the religious situation in the Reich and will thereby doubtless bring about a further deterioration in public feeling towards the Reich. This means a further complication in our foreign political situation and a threat to the execution of our rearmament policy."

The final paragraphs are paragraphs 4 and 5 of the document here printed less the last sentence of paragraph 5.

A second fair copy of the amended memorandum (3241/702391-92) is dated Oct. 16 and bears the marginal note: "Handed to the Führer today by me. He will issue an announcement in the next few days. v. Neurath], Oct. 17 [*sic*]." A "16" entered against the date evidently indicates that Neurath actually saw the Führer on the 16th. See also document No. 252, footnote 8.

No. 252

L432/L124014-17

The Ambassador in Great Britain to the Foreign Ministry

Telegram

TOP SECRET

No. 290 of October 16

LONDON, October 17, 1934—2:21 a.m.

Received October 17—6:50 a.m.

VI A 4489.

With reference to our telegram No. 285.¹

Immediately after my return from leave the Archbishop of Canterbury requested an interview with me, which has just taken place, on the Church conflict.²

As is well known, the Archbishop has always been pro-German and from the end of the war to the present day has often courageously advocated a just and sympathetic policy towards Germany. Amongst other things, it will be remembered how vigorously he defended the German view on disarmament and how sharply he criticized the French attitude last spring.

The Archbishop referred in the first place to the conversation which the Bishop of Chichester had with Bismarck on October 12 and then stated that, as a result of the strong action taken against Bishop Meiser in Munich,³ fresh complications had now arisen in the situation; he wished therefore to have an unreserved and frank personal discussion with me on this matter. The Anglican clergy, he said, had no objection whatsoever to German aims for a unification of the German Evangelical Church. What they did oppose was the coercive methods which were being applied to this end. It was, in the view of Anglican Christian circles, intolerable that force should be used, with the assistance of members of the State Police, against high Church dignitaries. Action of this kind coupled with the resurgence of certain German Christian doctrines noticeable lately and the old controversial question of the Aryan clauses,⁴ threatened to make the continued cooperation of Christian Churches abroad with the German Evangelical Church impossible. It was to be feared, therefore, that decisions to bring this to an end would have to be taken in the near future by the Evangelical Church outside Germany if there were no immediate changes within the Reich such as would spare him the necessity of having to take action in this matter, as he was now being pressed to do.

I described the religious situation in Germany to the Archbishop and explained that the German Church conflict was not concerned with

¹ Document No. 246.

² See also document No. 251.

³ See document No. 246, footnote 2.

⁴ See document No. 15, footnote 13.

dogma but merely with Church administration; I pointed out to him how greatly the political consolidation of the German nation required also a unification of the Evangelical Church and how intolerable it would be if, in a unitary German State, anarchy and internal strife were to continue to prevail in the sphere of the Church.

The Archbishop showed great understanding and, as before, emphasized his admiration for many of the principles and achievements of the new Germany and for the personality of the Führer. It would be all the more painful for him, he continued, if he were now compelled to take sides against Germany in the religious field. Such a development would also be particularly tragic because, like himself, the rest of the Anglican clergy had also always—and especially since the end of the war—represented that element of appeasement which cherished the warmest understanding for the German people and for their sufferings and grievances. It so happened, he explained, that he would be holding a regular meeting of the Anglican Bishops on October 24. He would on this occasion inevitably be expected to take the initiative in stating the attitude of the Anglican clergy to the religious events in Germany. He would subsequently also have to call together the representatives of other national Churches, such as the Bishop [*sic*: Archbishop] of Upsala⁵ and the French Pastor, Boegner,⁶ who were likewise awaiting a lead from him in order that all the national Evangelical Churches might adopt a uniform attitude towards Germany. Eventually, he would probably also have to approach the English Catholic Cardinal Bourne⁷ about possible joint action. Time was short, therefore, and he did not see how a general denunciation of the German Evangelical Church was to be avoided unless affairs had taken such a turn in Germany by October 24 as would be likely to change the inevitable course of events outside. Naturally, in making these statements to me he had not the remotest intention of exerting any pressure or making any threat but wished only to keep me loyally informed, as was his duty, in the hope, if possible, of being relieved of his painful task even at the eleventh hour. He tentatively suggested that the rescission of the disciplinary measures taken against Bishops Meiser, Wurm and Dr. Koch, or the removal of Dr. Jäger, might conceivably have the effect of holding up the course of events, or, possibly, this might be also done by a directive stopping the legal proceedings while at the same time inviting these churchmen to give free expression to their views as to the best method of bringing about the unification of the Church without a conflict.

I avoided a detailed discussion of these suggestions and merely emphasized most strongly the importance of the German Evangelical

⁵ Dr. E. Eidem, Primate of Sweden.

⁶ Pastor Marc Boegner, President of the Fédération protestante de France.

⁷ Archbishop of Westminster.

Church to Evangelical Christianity as a whole, the great contributions it had made in the clerical and scientific fields and its strong and central position in the life of the Evangelical Confession.

In conclusion the Archbishop who, incidentally, was in no way aggressive but rather deeply anxious, stressed the great and damaging effect any action by the Anglican Church against Germany would be bound to have on the general attitude of the British people towards us at a time when surely everything should be done to improve and expand German-British relations. He referred to the various statements made by the Chancellor concerning his desire for cordial relations with Britain and said that the great leader of the German people could surely, in his high aspiration to improve Germany's position, find a way by an authoritative dictum to direct the development of religious affairs in Germany into a channel which could lead to a smooth unification of the German Evangelical Church.

At the request of the Archbishop I promised to report on the substance of our conversation. He concluded with the remark that he would watch and follow the development of events until October 24 and would then discharge his duty accordingly.⁸

HOESCH⁹

⁸ Neurath forwarded a copy (L434/L124748-51) of the document here printed to Lammers under cover of a letter of Oct. 17 (L434/L124747) which reads: "Please submit the enclosed telegram to the Führer and Chancellor with reference to the exposition of the facts [see document No. 251] which I gave him yesterday." This letter bears the following marginal notes: (i) "The Chancellor is informed." (ii) "Reception of the Reich and Land Bishops arranged for 12 noon on Oct. 23." (iii) "For my report tomorrow. [ammers], Oct. 18." No record of the Reich and Land Bishops being received has been found.

⁹ A note by Roediger of Oct. 22 (L432/L124018) addressed to Ministerialdirektor Dieckhoff reads: "After consultation with the Foreign Minister I telephoned to Herr von Hoesch, with reference to his telegram No. 290, and requested him to take steps to forestall the making of any irrevocable decisions by the English bishops on Oct. 24, as matters here were in train and important declarations were to be expected, probably on Thursday [Oct. 25], which would put a new face on the Church question. Herr von Hoesch said that in view of my message he would get in touch with the Archbishop of Canterbury." In telegram No. 293 of Oct. 22 (L434/L124756-57) Hoesch reported that he had spoken to the Archbishop who had agreed that no final decisions should be taken on Oct. 24. This telegram bears the following marginal notes: (i) "[To the] R[eich] C[hancellor] immediately. v. N[eurath], Oct. 22." (ii) "(1) The Führer is informed. He has discussed the matter with the Foreign Minister. (2) To Herr Ministerialrat Dr. Thomsen. (3) Please return to me together with the previous papers. [ammers], Oct. 24."

No. 253

9074/E637021-23

Minute by an Official of Department II

BERLIN, October 17, 1934.

e.o. II M 1555.

On the 16th of this month a discussion on certain defence questions took place between Ministerialdirektor Köpke and General von

Reichenau, and Lieutenant Colonel von Böckmann and I took part. General von Reichenau took the opportunity to refer to the well-known field howitzer transaction with China.¹ He said that the Reichswehr Ministry as well as the Reich Minister of Economics and the President of the Reichsbank attached great importance to the carrying out of this transaction which has already been under consideration for an exceedingly long time. In reply to the Foreign Ministry's objections,² of which he was aware and which were again explained to him by Senior Counsellor von Erdmannsdorff, who had been called in, Herr von Reichenau remarked that the question as to whether the Chinese would still make payment or not if they learned of the Reich guarantee was a matter which would primarily have to be left to the economic and finance departments concerned. As regards this side of the matter, the Foreign Ministry should acquiesce in the other departments assuming responsibility for it. He did not consider the misgivings about annoying Japan so important in view of the very serious difficulties over foreign exchange which we were at present encountering. The Japanese too were in rather a tricky position and they would think twice before starting a serious quarrel with us on account of the export of the field howitzers to China.

Finally the principles underlying the matter were mentioned. I stated that, according to the precedents now before us (cf. the Greek³ and Turkish transactions),⁴ it must be expected that, should the Reich guarantee be granted again now, the German armaments industry, and particularly Rheinmetall, would in future make general use of the Reich guarantee to finance their transactions for the supply of arms to foreign countries. Whether we should agree to this was, however, a serious question of foreign policy, as under the present procedure the Reich guarantee, which usually became known abroad, involved the Reich Government directly in individual transactions and in certain circumstances this might create awkward situations as regards our foreign policy. At this General von Reichenau remarked that, since the destruction of capital through the inflation, the Reich had always had to assist more or less in major credit transactions abroad. In reply to an interjection that there would perhaps be no objection to this if it were done in such a way as to remain entirely unremarked abroad, General von Reichenau admitted that the procedure for

¹ See documents Nos. 220 and 232.

² See document No. 232, footnote 5.

³ See document No. 124 and footnote 4 thereto.

⁴ Applications from Rheinmetall for Reich guarantees in respect of the delivery to Turkey of 48 2-cm cannon and of special machines, parts and equipment had been received by the Foreign Ministry via the Revisions- und Treuhand-Aktiengesellschaft (for which see Editors' Note, p. 22) on Sept. 22 (M58/M001638-43) and Oct. 5 (M58/M001650-54) respectively. Both applications stated that, in view of the Versailles Treaty, the contracts had been made in the name of the subsidiary company, Solothurn (cf. document No. 220, footnote 3).

assistance by the Reich in the form of credits might be reviewed, particularly in the case of arms transactions.⁵

FROHWEIN

⁵ In a second memorandum dated Oct. 19 (9074/E637019-20) Frohwein proposed that there should be a meeting between representatives of the Ministries and agencies concerned to discuss the problems involved in the guarantee of arms exports. See document No. 351.

No. 254

7811/E566683-89

The Ambassador in Great Britain to the Foreign Ministry

A. 3673

LONDON, October 17, 1934.

Received October 19.

II Fr. 3486.

Subject: The new French Foreign Minister, Pierre Laval.

The appointment of a new French Foreign Minister is an event of such great importance that it may perhaps be of interest to the Foreign Ministry and to our Ambassador in Paris if I submit, from my own experience, a small contribution to the knowledge of the personality of Pierre Laval. The fact that, during his term of office as Minister President,¹ Pierre Laval directed the Foreign Ministry itself for a short time only, while, during the main period of his term of government, it was still formally in the hands of Briand, has perhaps prevented his activity in foreign politics from being seen with any clarity, so that an opinion formed on the spot regarding his work in the field of foreign politics might possibly be welcome.

When, in the winter of 1931, Pierre Laval was charged by President Doumergue with the formation of a Cabinet, the fact that the choice fell on him was due in the first place to the vagueness of his knowledge of domestic politics. The chamber elected in the spring of 1928 under the slogan "*Poincaré sauveur du franc et de la France*" could only have been managed by the Master himself. With Poincaré's retirement in the summer of 1929 it was seen that there was no clear majority in this Chamber, although it tended slightly towards the right. It therefore brought down a Briand Cabinet,² two Tardieu Cabinets³ and two left-wing combinations under Chautemps⁴ and Steeg;⁵ and in the

¹ Laval had been appointed Minister President on Jan. 27, 1931, and reappointed on Jan. 14, 1932. In the first Cabinet, Briand was Foreign Minister, in the second Cabinet, which lasted till Feb. 21, 1932, Laval was his own Foreign Minister.

² 12th Briand Cabinet July 28, 1929-Nov. 3, 1929.

³ 1st Tardieu Cabinet Nov. 3, 1929-Feb. 21, 1930. 2nd Tardieu Cabinet Mar. 2, 1930-Dec. 13, 1930.

⁴ 1st Chautemps Cabinet Feb. 21, 1930-Mar. 2, 1930.

⁵ Steeg Cabinet Dec. 13, 1930-Jan. 27, 1931.

winter of 1931 the President of the Republic found himself in a very difficult position, when the Steeg Cabinet fell after a term of office of only three weeks, in that he had to find a person whose views on domestic politics were so vague as to conciliate as much of the left wing as possible without being unacceptable to the right wing. The choice fell on Pierre Laval who to a great extent fulfilled these requirements.

Laval was a senator.⁶ He belonged to no political party and had also, when a member of the Chamber,⁷ avoided party political commitments. He called himself an independent Socialist and under this label indulged in a fairly undisguised political opportunism. His political preceptors were on the one hand Caillaux, to whom he also remained a loyal friend during the time of his prosecution, and on the other hand Briand, in whom he saw his true model. But while Briand had freed himself from party ties by growing above and developing independently beyond party restraints, Laval had very soon chosen political opportunism as his *system* by taking the career of Briand, his great example, as his guiding line *from the start*. Briand, as a result, saw in Laval a disciple and an intimate whom he could to a certain degree regard as his equal. "*Ce petit ira encore loin*" is a well-known remark which Briand made about Laval when he was at the beginning of his career.

As is known, Laval is a native of Auvergne and indeed of quite humble origins. His mother was Spanish. Until he was a young man he did manual work in his native place and had very little education, but then he acquired the necessary learning on his own initiative. His political position was at first on the extreme left and only later when he began to climb the ladder did it shift to the opportunist course mentioned above. It was a strange chain of events which caused this man, whose socialist principles have remained latent, to become during his term of government, with Tardieu and Paul Reynaud, the idol of the right-wing and the much-lauded exponent of the *Echo de Paris* and the *Journal des Débats*.

These factors in domestic politics partially account for the career in foreign politics of Minister President Laval. When Laval took over the government he was full of good intentions. The foreign policy pursued by him and Briand was to be clear, active and constructive. He would speak frankly and honourably to Germany, and achieve positive results. The conditions necessary for a great constructive policy seemed to be present for Laval in so far as, in the year 1931, France was at the height of her power. Competition from his former preceptor, Foreign Minister Briand, need no longer be feared by the Minister President once Briand, having, through losing the presidential

⁶ Laval was Senator for the Seine *Département*.

⁷ Laval had been a member of the Chamber of Deputies from 1914 to 1927.

election in the spring of 1931,⁸ suffered a moral and physical death blow, began to move inevitably towards the close of his political career and of his life.

What possibilities for a great work of reconstruction under French leadership existed for the French Minister President when, after the financial collapse of Germany in the summer of 1931, and after the disastrous financial developments which followed in England, France, enthroned in lonely eminence, appeared to dominate the whole of Europe, and when Laval, in the autumn of that year, embarked on his visit to President Hoover in America,⁹ more or less as the spokesman of Europe! Laval did indeed recognize these possibilities, but under the pressure of the usual French domestic political difficulties he proved to be lacking in personality and character. The French Government's treatment of the Hoover moratorium,¹⁰ whose hoped-for effect was destroyed by seventeen days of useless and senseless haggling in Paris, in itself showed that Laval did not stand above things, but allowed himself to be influenced and swayed by parliament, the press and public opinion. The exchange of visits between leading German and French statesmen in September 1931¹¹ became, in consequence of Laval's limitations, an empty demonstration without any real concrete background, just as Laval's appearance at the financial conference summoned by MacDonald in London in August [*sic*]¹² was in fact purely negative. It cannot be denied that Laval, when he visited Berlin together with Briand, displayed courage. The condition laid down by him, however, that the Berlin discussions should be limited to economic questions from the start, reduced the Berlin visit to the level of a more or less platonic demonstration and turned it into a very unnatural and extremely stiff affair.

Under the pressure of difficulties in domestic politics Laval's attitude, originally an active one, changed more and more to one of negative defensiveness. Particularly significant in this connexion is his well-known answer to a journalist's question about his experiences in America: "I have learned the word 'nothing'."¹³

After Laval's return from America our fight for the revision of the Young plan started and it will be remembered with what obstinate determination the French Government clung to the argument that the

⁸ On May 13, 1931, Doumer was elected President of the French Republic by 442 votes against 404 for Briand.

⁹ Laval visited Washington Oct. 23-25, 1931.

¹⁰ On June 21, 1931, President Hoover proposed to the European Governments a one-year moratorium on all payments of reparations and inter-allied debts.

¹¹ Brüning, the Chancellor, and Curtius, the Foreign Minister, visited Paris July 18-19, 1931. Laval and Briand visited Berlin Sept. 27-28, 1931.

¹² The London Conference, summoned by the British Government to consider Germany's financial position, lasted from July 20 to July 23, 1931, and was attended by representatives of Belgium, France, Germany, Great Britain, Italy, Japan and the United States. See also *British Documents*, Second Series, vol. II, Chapter III, *passim*.

¹³ The word "nothing" is in English in the original.

revision of the Young plan could only be achieved through the plan itself, i.e., by calling together the Young Committee. Equally well remembered will be our struggle, which lasted for weeks, with Laval and his Finance Minister, Flandin, who influenced him, about the question, which was in fact an entirely pointless one, of settling the so-called "terms of reference"¹⁴ for the Young Committee, until we finally succeeded in achieving a wording which was acceptable to us. Thus the ambitious plans with which Laval began, ended, once again, in haggling over details, with the French adhering to the well-known phrase "*respect des traités*" as their slogan. The pre-eminence which France enjoyed in 1931 was not made use of, although Laval, as mentioned above, had taken office with the intention of finding new ways to a constructive policy.

Laval's failure, described above, to deal with the great tasks which were set before him, does not, on the other hand, mean that he should be condemned out of hand. On the contrary, I regard his appointment as an improvement on the previous Barthou régime. Far behind Barthou in education, knowledge, intelligence and temperament, Laval possesses the great advantage of simplicity and frankness. His greater common sense replaces to a certain extent his lack of knowledge as regards foreign policy and the paucity of his experience. Gifted with astonishing nervous strength, he remains calm and collected in all situations. There can be no doubt as to his peaceable attitude. He is a stranger to hatred *in vacuo*. Anything, even the most difficult problems, can be calmly discussed with him, and one often finds that he is making a sincere effort to achieve understanding. He is firmly convinced of Germany's war guilt, but is not an enemy of the German people, even if, in view of his Marxist upbringing, the new Germany must seem uncongenial and sinister to him. In consequence of his lack of knowledge regarding questions of foreign policy, he is easily influenced and unfortunately it has often been found that, after one believes him to be convinced, he is then swung round again by an opposing influence. With regard to his reliability, I found him in general loyal and altogether my personal relations with him were thoroughly pleasant. Whether, in the present state of affairs, he will be man enough to take his own political line is naturally beyond my judgement.¹⁵

HOESCH

¹⁴ This phrase is in English in the original; it appears to be a reference to the French Government's refusal to consent to any private debts having priority over reparations.

¹⁵ Marginal note: "The Reich Chancellor is informed. [Lammers], Oct. 23."

No. 255

7960/E574806-11

Saar Plenipotentiary Bürckel to Foreign Minister Neurath

NEUSTADT/HDT., October 17, 1934.

Received October 19.

II SG.6814.

DEAR REICH MINISTER: The question as to what attitude, from the Church point of view, the clergy in the Saar should adopt during the plebiscite campaign, urgently calls for a decision. As has been announced by the Vicar-General of the diocese of Trier, the Bishop of Trier¹ has gone to Rome to obtain a final ruling from the Vatican. I regard it as imperative that the Reich too state its views on this question quite officially and represent them to the Curia, that is to say, press for an early decision, which the Bishop of Trier also seems to be doing, so that in the plebiscite campaign we may adopt in good time whatever attitude is called for in consequence.

With regard to the question of the neutrality of the Church itself, I have the honour to inform you below of my views and I leave it to you to make use of these ideas in a Note in which the Reich could explain its views to the Curia:

In order to define our attitude toward the required neutrality of the Church in the Saar campaign, we must first be clear about the substance and nature of the assurance of neutrality which the State has given.

At the meeting of the League of Nations Council in which the date of the plebiscite was determined, the German Government, in the same way as the French Government, undertook:²

(a) To abstain from pressure of any kind, whether direct or indirect, likely to affect the freedom and trustworthiness of the voting;

(b) Likewise to abstain from taking any proceedings or making any reprisals or discrimination against persons having the right to vote, as a result of their political attitude in connexion with the purpose of the plebiscite during the administration by the League of Nations;

(c) To take the necessary steps to prevent or put a stop to any action by their nationals contrary to these undertakings.

What is the meaning and substance of this obligation?

The Reich renounces the use of forcible means of inducing German *Volksgenossen* and nationals to vote on certain lines. In order to render effective this renunciation of the use of forcible means, it gives

¹ Dr. Franz Bornewasser.

² In a letter from Neurath dated June 2, 1934; for the text see League of Nations: *Official Journal*, June 1934, pp. 651-652.

at the same time an assurance that it will refrain from adopting any kind of retaliatory measures.

Nevertheless, force and power are neither the sole nor the most important aspects of the State. An essential part and duty of the State is also care for the social welfare of its *Volksgenossen* and their instruction in loyalty to their national community. Only from this allegiance of *Volksgenossen* and nationals does the social character of a State arise. Never and nowhere has the Reich renounced the fulfilment of these duties nor could it ever, without forfeiting its honour, have renounced educational measures to hold the German *Volksgenossen* and nationals in the Saar to this allegiance. That we had no intention of abandoning the care of our *Volksgenossen* in the Saar when we gave our assurance of neutrality, is clear from the fact that no one has thought of demanding that the Reich should give up the social care of our *Volksgenossen* in the Saar and thus terminate the substantial German contributions to social insurance and war pensions.

If there is now talk of an obligation of neutrality for the Church in the plebiscite campaign and of laying down this obligation of neutrality as was done in the case of the State, this could only mean that the Church would also, for her part, renounce the use of ecclesiastical means of coercion, that is to say, threaten church penalties for votes cast in a certain sense. But the State can no more give up that care of its *Volksgenossen* and nationals in the Saar which is its duty by Divine, natural and national right, than the Church can give up teaching and preaching that which the will and command of God imposes upon her. The loyalty of man to his national community as part of the order of creation, in which man is integrated by his birth and kind, has been ordained by God, and the Church has therefore always acknowledged the duty of holding Christians to their loyalty in relation to this Divine order of creation. So long as the Church keeps within the confines of the task imposed upon her by God, she can never commit a violation of neutrality. But should the Church now go so far as to refrain from demanding such loyalty to the national community in the Saar, then this would constitute a violation of the prescribed neutrality, since it would be taking a biased attitude in favour of those who deny the moral and religious importance of the solidarity of the national community and have more or less made the fight against this obligation towards the national community their own. Such is, however, the case with regard to the opponents of Germany. The German Reich demands of the Churches and the clergy no political activity in the sense of an obligation to canvass for National Socialism as such; it must, however, precisely for the sake of the true neutrality of the Church, demand that she will not surrender any of her totality of spiritual claims in the Saar either, and therefore in no circumstances abandon her duty of exhorting Christians to be loyal to the Divine

order of creation and particularly to the national community. The present situation in which it is sought to prevent the clergy, allegedly on the grounds of neutrality, from giving support to Germany, but which, on the other hand, permits overt and covert canvassing by many of the clergy for the *status quo*, is intolerable for the Reich, because of its *Volksgenossen* in the Saar, since silence regarding allegiance to the national community would for many a spiritually weak man be tantamount to the Church denying the value of the national community and would thus mean moral danger or considerable anguish of conscience to him. It is also intolerable because such an attitude practically amounts to supporting our opponents, especially the Marxist Separatists who, likewise, regard the national community as valueless and unworthy of loyalty. And the Reich cannot allow its members to be jeopardized in this way without taking action.

I now feel that I have given the gist of the arguments which we must put forward with all emphasis in international discussions on the Saar question generally and in our negotiations with the Curia in particular. We must proceed from the premiss that it was the lie about 150,000 Saar Frenchmen³ which caused the insertion of the provisions of the Saar Statute in the Versailles Treaty. Only a lie of this kind could have provided an apparent basis for the Saar plebiscite; for only where two national communities confront one another in the same territory can the most liberal opinion see a solution to the question as to how this territory is to be integrated into a State in the majority result of a plebiscite. Contrary to the facts, the affinity of the Saar Territory was treated as an issue of nationality and we Germans now also wish to have it treated as such to the very end and particularly at the present moment. This is our proper right; this is our political strength; the Saar question is for us no political question in the usual French liberal sense; it is a question of nationality. We have the right, therefore, to demand professions of allegiance by our *Volksgenossen* to their national community; we have also the right to demand this of the Catholic clergy who belong to our people. The Curia has no right to demand neutrality, that is to say, to oblige the clergy to refrain from openly and publicly professing allegiance to their own people. To deny allegiance to the national community in the Saar is tantamount to misleading that community. Should the Curia wish to do so nevertheless, it would not only place itself in the position of denying nationality as part of the Divine order of creation and thus put itself in irreconcilable conflict with a vital principle in process of victorious advance, but it would even remove the basis for any Concordat policy within the German Reich. The German Reich is seeking peace with

³ See André Tardieu: *La Paix* (Paris, 1921), p. 293, where, in a description of a meeting of the Council of Four on Mar. 28, 1919, when the Saar question was discussed, the statement is attributed to Clémenceau: "Il y a là 150,000 hommes qui sont des Français."

the religious communities; it is seeking the most intimate union between the national community and the Christian religion. It must, however, also demand of the confessions that they, too, should seek to establish the most intimate bond with the national community and that their priests who hold a privileged and secure position in the *Volkgemeinschaft* by virtue of the Concordat and the legislation of the German people, which acknowledges Christianity and the religious community, should for their part also be loyal to the national community and the *Volkgemeinschaft* and should serve them. A religious community which does not acknowledge this bond with the national community could never be a corporate body under public law and thus the bearer of sovereign rights which derive from the strength of the people and the national community. Rome should be quite clearly warned of all these inevitable consequences.

I, personally, would also consider it expedient for all our political representatives abroad also to advocate and propagate with all emphasis the German thesis about the Saar, the focal point of which is the rights of the national community, as opposed to the liberal political French thesis, the recognition of which, as the progress of the Saar struggle clearly indicates, is bound to become extremely dangerous to us.⁴

Heil Hitler,

Yours etc.,

BÜRCKEL

⁴ Under Ang. I of Oct. 23 (7960/E574812-13) a copy of this letter was sent to the Embassy to the Holy See with the suggestion that, although a Note might be inappropriate, its arguments might be employed in conversation. Under Ang. II of the same date Köpke wrote a letter to Bergen (7960/E574814-20) in which he reviewed the question of the attitude of the Catholic Church in the Saar.

No. 256

2945/575956

Memorandum by the Foreign Minister

BERLIN, October 18, 1934.

RM 1176.

I discussed with the Polish Minister yesterday afternoon the matter of raising the German and Polish Legations to Embassies.¹ We came to the following agreement:

(1) The raising of the Legations on both sides shall be announced in a communiqué to be drawn up jointly, the contents of which will be approximately as follows: The German and the Polish Governments have agreed to raise their diplomatic missions in Berlin and Warsaw to Embassies as from November 1.

¹ See documents Nos. 177 and 187.

(2) The proposed date for the publication of this communiqué is October 27, and it is intended that the announcement shall appear in the morning papers in Berlin and Warsaw.

(3) M. Lipski was already able to give the *agrément* for Minister von Moltke on behalf of Foreign Minister Beck.

M. Lipski intended to report to Warsaw on the outcome of our conversation yesterday evening. The communication crossed with the report from Minister von Moltke.²

I have promised that the text of the communiqué to be drawn up here shall be sent to Minister Lipski personally, so that he can obtain the approval of his Government.³

V. N[EURATH]

² Warsaw telegram No. 90 of Oct. 17 (2945/575954).

³ According to reports in the press (e.g., *The Times*) of Oct. 26, the announcement regarding the raising of the Legations to Embassies was to be made that day.

No. 257

8658/E606202-10

The Chargé d'Affaires in Austria to the Foreign Ministry

A 3022

VIENNA, October 18, 1934.

Received October 22.

II Oe. 2961.

POLITICAL REPORT

Subject: The negative results to date of Reinthaller's attempts at conciliation.¹

The various stages of Ingenieur Reinthaller's attempts at conciliation have been the subject of detailed discussions in the press here for about a month and a half. The more important press comments were submitted to the Foreign Ministry with yesterday's report.²

Since the action in question has now, in some sort, been concluded, a brief assessment of its course to date would seem to be indicated, especially in so far as it was not made public.

Ingenieur Reinthaller is an agricultural engineer and his interests are first and foremost agricultural. Until 1930 he was a member of the Landbund.³ He then went over to the NSDAP in Austria and became Gauleiter for Upper Austria. After the ban on the activities of the NSDAP was imposed,⁴ differences arose between Reinthaller and Habicht which became so acute that the latter sent an order from Munich decreeing Reinthaller's removal from the post of Gauleiter.

¹ See also document No. 198 and footnote 2 thereto.

² Report A 3026 of Oct. 17, not printed (9986/E697428-34).

³ See document No. 112, footnote 5.

⁴ On June 19, 1933, the Austrian Government issued a decree prohibiting all activities on behalf of the National Socialist Party and dissolving all its organizations.

In September 1933 Ingenieur Reinthaller tried to establish contact with the then Minister of Education, Herr von Schuschnigg, now Federal Chancellor, with whom he had served in the same regiment during the war. Reinthaller, who had differed even then from the Landesleitung in Munich in his assessment of the Movement's strength and its capacity for holding out against the Government's campaign to destroy the NSDAP, tried for the first time a year ago to achieve an amicable settlement.⁵ This attempt may have helped temporarily to strengthen those forces in the Government camp who did not wish to aggravate the differences with the Reich. As matters stood, however, no serious negotiations were at that time possible.

Reinthaller resumed his efforts at conciliation immediately after the bloodshed which ushered in the events of July 25. In this he had the sympathy of the new Federal Chancellor, Herr von Schuschnigg. In the course of his first conversations, however, it at once became evident that the aims of the Government and of the more moderate faction of the NSDAP in Austria were entirely opposed.

The Federal Chancellor has been, and still is, endeavouring to reconcile the national forces which are now in opposition, with those on the Government side, provided the former fall into line more or less unconditionally and, in particular, join the Fatherland Front [*Vaterländische Front*]⁶ as individual members. The aim of Reinthaller's faction is that the Movement shall regain legal status while at the same time severing its connexion with the Party organization in the Reich. A new organization is envisaged which shall be strong and independent while adopting the National Socialist Party's programme as a basis. It is intended that all national circles, especially the former Pan-Germans [*Grossdeutsche*] and the members of the Landbund, shall range themselves round the present NSDAP Austria as the hard core of the Movement. Persons who were previously Pan-Germans or members of the Landbund shall, according to their qualifications, also be given consideration for appointment to important posts.

There were from the outset great administrative difficulties in the way of this scheme. The Landbund [members] and Pan-Germans who entered into closer political relations with the Party some time ago as a result of agreements which are familiar were certainly greeted as welcome allies by NSDAP circles here. It was not considered suitable, however, that a former member of the Pan-German party in a certain district, for example, who but a short time ago had been severely criticized by National Socialists there, should now suddenly be appointed as the Ortsgruppenleiter or Bezirksleiter in the same district. An even greater obstacle to unification within the Austrian

⁵ See vol. I of this Series, document No. 385, footnote 9. No other relevant documents have been found.

⁶ See document No. 17, footnote 5.

NSDAP, however, was the absence of any directive from the supreme authority which, in accordance with the Party organization, local members of the NSDAP expect to receive but which, in present circumstances, it was not possible to issue.

Even these difficulties, however, would gradually have been overcome if other circumstances had not supervened which would for the time being appear to render impossible the achievement of positive results. The large mass of followers would eventually have become reconciled to the absence of a directive, especially since the relief organization for the support of needy Party comrades has so far been carried on under Reinthaller's supervision and since he has, by this very fact, been able to bring about a certain concentration of forces. It was increasingly realized, however, that agreement as soon as possible on a suitable leader was at the present time the most important requisite for safeguarding the continued existence of the Party in Austria.

Criticism of Reinthaller flared up again when it became known that he was enlisting a considerable number of persons for close collaboration who, in some way or other, had already compromised themselves with the Party during the past year. Amongst those concerned is a certain Dr. Preiss who formerly belonged to the Landbund and who does not enjoy a very good reputation for political reliability. In addition there is in particular the dentist, Dr. Herbert Schneider (the former liaison officer between Herr Habicht and the Legation here), whose activities resulted in the well-known revelations of August last and in the publication of the first Brown Book.⁷ Dr. Herbert Schneider, who until 1930 belonged to the Starhemberg Heimatschutz and who has not been in the public eye since the conclusion of the Party proceedings against him and his brother Erwin Schneider, has meanwhile been working all the harder underground, has tried to establish contact with Dr. Riehl,⁸ an attorney, who was expelled from the Party, and has finally allied himself, presumably through certain family connexions, with politically-minded clerics here. He [Reinthaller] has furthermore drawn into his circle a Herr von Pawel-Rammingen who is politically of no consequence and who mediated between Federal Chancellor Schuschnigg and Ingenieur Reinthaller immediately after the abortive *Putsch*. It is therefore clear that this group was already aspiring once more to count for something, particularly in the field of international politics.

Apart from the above-named, Reinthaller has also brought in three other former Party officials to collaborate with him, one of whom has been in Dachau concentration camp and was subsequently relieved of

⁷ See vol. I of this Series, document No. 407; a Brown Book entitled *Swastika against Austria* was published on Sept. 8, 1933.

⁸ Dr. Walther Riehl, leader of the Austrian National Socialist Party immediately after the First World War. He was expelled from the Party in 1933.

his Party functions by Habicht. In face of this, certain leading personalities in the nationalist camp who have also been long-standing advocates of the *Anschluss* idea, such as Director Neubacher⁹ and von Seyss-Inquart, the attorney, could do little to counter-balance the influences to which Reinthaller was subjected, especially since they were being violently attacked, just as they had been a year ago, by Dr. Schneider's group.

The situation was aggravated even further by the motley collection of people with which Ingenieur Reinthaller surrounded himself, causing a rumour to spread that some of his closest collaborators were in contact with local police officials. The political police here is, in fact, most accurately informed about all that goes on in Reinthaller's camp and there is therefore some probability that this assumption is correct.

As a result of the mistrust which was thus fostered, the majority of the Bezirksleiter of the Gau Vienna refused to let Reinthaller's office have the lists of Party members for their districts for perusal. In the Federal *Länder* the situation varies from place to place; Reinthaller is being rejected by some and recognized by others for the sake of regaining some sort of foothold within the framework of the "national movement", from which to reassemble forces and undertake propaganda activities.

It was precisely the last-mentioned factor, however, which gave rise to the other fatal difficulty. Reports were reaching the heads of the provincial Security offices that propaganda was once again being put out by the NSDAP on the same scale as heretofore, and that the organization of Party members was in full progress under cover of the national movement.

Combined pressure was now exercised on Federal Chancellor Schuschnigg by all forces not desiring an understanding, with a view to causing him to ban the whole movement. The Heimwehr leaders, with the Deputy Chancellor, Prince Starhemberg, whose influence in the present Cabinet continues to be very strong, at their head, succeeded in having a decree issued to all heads of Security and *Landeshauptleute* of the Federal *Länder* in which the activities of the national movement were declared to be illegal, forbidden and liable to penalties (for copy of an excerpt, see Enclosure 1).¹⁰ Reinthaller first sought to call in question the justice of this order, the existence of which was publicly mentioned for the first time by the Head of Security for Salzburg. Later, the statements were published in the *Reichspost*, as mentioned in my previous report,² and were followed by a statement by Reinthaller in the same paper. The text of this statement,

⁹ Hermann Neubacher.

¹⁰ Not printed (8658/E606211).

a copy of which was attached to my previous report, was not very happily worded and gave Party circles an unfavourable impression of Reinthaller.

On the other hand, none of this could affect the negative attitude of the Federal Government. On October 9 of this year Reinthaller was summoned by Oberpolizeirat Weiser, Head of the local Criminal Police, who read out to him the text of the above-mentioned decree which had been sent to the Heads of Security. When Reinthaller retorted that he therefore regarded his mission as having failed and that he would retire to his farm in Upper Austria, Herr Weiser, a Christian Socialist who is fighting the battle against National Socialism in Austria with particular hatred and implacable severity, tried to persuade him to continue the negotiations with the Government and to assist in the process of absorbing the national forces into the Fatherland Front. Reinthaller refused and left for home.

The ambiguity in the attitude of the Government representatives was, however, carried a step further. On the 16th of this month Hieke, a Trades Union secretary who is in charge of the "relief agency" mentioned earlier, was arrested, closely questioned by Polizeirat Weiser concerning the source of the money he was distributing and, having given a plausible account of the collection of donations for this fund, was only released on giving his word of honour that he would never again collaborate with Ingenieur Reinthaller.

Nevertheless, the Government camp goes on courting Reinthaller. The Federal Chancellor has in the meantime sent another invitation to Reinthaller which will presumably again be declined. The plan is probably the same as before. The national movement is to be permitted only if it induces its members to join the Fatherland Front individually and if its leadership is decentralized. The idea is that in every Federal *Land* the Head of Security should be in touch with the leading representative of the national movement and should accept from him suggestions as to individual persons suitable for admission to the Fatherland Front. The Federal Government's particular concern seems to be to prevent the formation of a unified leadership from the start. They therefore intend, in case of a resumption of negotiations, to lay down the condition that Reinthaller must share the control with at least two other persons. He would be allowed to assume control of the national movement in the Federal *Länder* of Upper Austria, Salzburg, Tyrol and Vorarlberg, while Styria and Carinthia would be placed under the control of the former member of the Landbund, Hasslacher, and—what sounds even more incredible—Vienna, Lower Austria and the Burgenland under the control of Riehl, the attorney.

The realization of such plans is unthinkable. It would lead to the utter disintegration of the Party, which is without a leader at present, and to complete paralysis of all national forces in Austria.

The situation may be summed up as follows: Reinthaller sincerely tried to come to terms with the Government. The attempt failed, not only because Reinthaller enlisted unsuitable collaborators and is himself perhaps hardly equipped with the necessary intellectual qualities for discharging such a difficult task, but chiefly because the Government require not an agreement but subjection.

It is possible that the prospects for an understanding will be more favourable at a later date than they are today. The next few months should be used to give the Austrian Party a chance to reorganize itself from its own resources and to find, within its own ranks, a leader who would be a match for the Government negotiators.

At the start of his work as mediator Ingenieur Reinthaller drew up various declarations of policy, and sent these to Federal Chancellor Schuschnigg and distributed them among sympathizers. Copies are enclosed herewith (preface, enclosure 2, general principles, enclosure 3, plan of appeasement, enclosure 4, circular to confidants, enclosure 5¹¹).

VIKTOR PRINZ ZU ERBACH¹²

¹¹ Not printed (8658/E606212-26).

¹² The document is marked: "The Chancellor is informed. L[ammers], Oct. 24." Copies of this report and of its enclosures were sent on Oct. 31, 1934, to the Reich Chancellery, the Reichswehr Ministry (Foreign Dept.), the Führer's Deputy, and to the Missions in Italy, Czechoslovakia, Hungary and Yugoslavia (8658/E606227).

No. 258

9074/E637028

Minute by an Official of Department II

BERLIN, October 19, 1934.

e.o. II M 1560.

(1) We are informed by the Foreign Minister that General von Reichenau spoke to the Führer and Chancellor yesterday morning concerning the field howitzer transaction with China.¹ The Chancellor took the view most decidedly that the transaction must not be carried out. Even after the various counter arguments had been put forward by Herr von Reichenau the Chancellor maintained this point of view. Yesterday afternoon a further discussion took place in which the Foreign Minister took part.² At this discussion the Führer decided on

¹ See document No. 253.

² In a letter of Oct. 19 (9074/E637034) Reichenau informed Bülow of the discussion with the Führer and Neurath and stated that it had been agreed that Rheinmetall could fulfil the contract if they agreed to forgo the Reich guarantee and if delivery was made at as late a date as possible; Rheinmetall would be informing the Foreign Ministry by letter; Schacht would be supervising the transaction; delivery would commence in nine months' time at the earliest and end about 1937, thus taking Neurath's objections into account. A marginal note on this letter reads: "The Führer told me

a compromise proposal of the Foreign Minister's that the field howitzers should not be delivered in 1935 and that the Führer should reserve to himself the decision as to whether they should be delivered later.

(2) Submitted herewith for information to the State Secretary via Ministerialdirektor Köpke.

(3) Copy to Ministerialdirektor Meyer.

(4) To be filed.

F[ROHWEIN]

quite categorically that he forbade delivery in 1925 [*sic*]. v. N[eurath], Oct. 20". In a letter of Oct. 25 (9074/E637030) Bülow drew Reichenau's attention to the discrepancy between the two accounts of Hitler's decision as to the earliest dates by which delivery would be permissible. No further correspondence with the Reichswehr Ministry on this subject has been found.

No. 259

8826/E614325-26

Consul General Radowitz to Ministerialdirektor Meyer

DANZIG, October 19, 1934.

Received October 20.

DEAR HERR MEYER: I have just returned from my first conversation with Gauleiter Forster and would like to give you a short report on it.

Forster gave me the following account of yesterday's high-level conference.¹

The Führer had given a wonderful *exposé* of the Danzig problem and had pointed out that Danzig was not a financial problem but was a factor of high political significance in the whole foreign policy of the Reich, and that it must certainly be given aid. At the discussion it was decided that Danzig should receive monthly 1,100,000 Marks in foreign currency. This sum included the 500,000 Marks for pension payments, so that an additional 600,000 RM worth of foreign currency has been arrived at.

I should be particularly grateful if you could confirm for the record that this account of Forster's is correct and that there is no possibility of any misunderstanding.

Forster also informed me that he intends at present to delay the election of the new President of the Senate for a few weeks (2-3 weeks). When I asked him who was to be the successor, he replied: "It will have to be Greiser, for I have no one else." I have the impression that the few weeks' delay, which Forster proposes, before the election of the new President of the Senate, is connected with the necessity for clearing up some points about Greiser which are still obscure.

¹ No record of this conference has been found, but see documents Nos. 262 and 327.

Forster was very calm and sensible, and readily discussed with me several observations which I made concerning the effects which a lack of prudence might have on foreign policy, and he gave me the impression of having a proper appreciation and understanding of all the possible repercussions.

Since, for the moment, the position with regard to the communication of official reports remains to be clarified, I will keep you informed of essential news by means of private letters.

With our kindest regards to you all,

Heil Hitler,

Yours,

RADOWITZ

No. 260

7894/E573049-56

The Foreign Minister to the Ambassador in Italy

BERLIN, October 20, 1934.
e.o. II SG.6838 Ang. I.¹

With reference to your telegram No. 231 of October 11.²

You should expound to Baron Aloisi our views on the Saar questions raised by the Committee of Three³ as follows:

As Aloisi has already been informed by Weizsäcker⁴ we, for our part, do not consider it necessary to settle now questions which will not arise until after the plebiscite. The assertion that certain questions concerning the future Saar régime would have to be settled even before the plebiscite cannot be justified either by means of the Versailles Treaty or by practical considerations. If, however, the Committee of Three for its part should consider it desirable to prepare for later settlements now so as to enable the liquidation of the provisional Saar régime to be carried through more speedily after the plebiscite we would not, under this aspect, evade a preliminary discussion of such questions. In such discussions we would, however, proceed from the following premises:

(1) For us the basis for the discussions is solely the Versailles Treaty which, on the one hand, sets certain limits to the competence of the organs of the League of Nations and, on the other, also contains

¹ Under Ang. II of Oct. 22 (7894/E573057-60) copies of Ang. I and other relevant documents were sent to the Legation in Berne, the Consulate at Geneva and the Embassies in Paris and London.

² Not printed (7894/E573025-26).

³ Under cover of despatch No. 1201 of Sept. 29 (7894/E572980-88) Krauel sent to the Foreign Ministry copies of four Notes which had been given to him that day by Biancheri. In these Notes, copies of which were sent to the French Government, the Committee of Three raised the four points dealt with under (a) to (d) in the document here printed.

⁴ See document No. 227.

essential guiding lines for the settlement of questions which fall within the competence of the organs of the League of Nations. It is clear from this that only such questions may be raised for discussion as concern the liquidation of the provisional Saar régime, but not however such other questions as, for example, those going beyond the necessary liquidation questions, which would be tantamount to interfering with German sovereignty. The extent to which this applies must be decided upon in the case of each separate question.

(2) Naturally, we can only participate in discussions based on the assumption that the Saar Territory will be reintegrated with the Reich. If other quarters consider it essential to start discussions on other possibilities as well, we can certainly not prevent this but must refuse any direct or indirect participation.

(3) The preliminary discussions must not be exploited by any party for plebiscite propaganda. In this connexion we must draw attention to the fact that a number of points in the French Memorandum on the Saar of August 31⁵ are obviously tending towards such objectives.

On these conditions and under reservation of further comment, we offer the following observations on the questions already submitted to us by the Committee of Three (see report by Krauel of September 29,³ transmitted with a private letter from Köpke—II [SG] 6618 of October 15):⁶

(a) Extension of the Guarantee Declaration of June 2⁷ to inhabitants of the Saar Territory who are not entitled to vote (Enclosure 1 to Krauel's report of September 29).³

The question of a guarantee was already exhaustively discussed in April and May. We had originally considered any kind of guarantee as superfluous but in the end were agreeable to a declaration confined to inhabitants of the Saar Territory entitled to vote, since such a declaration could be regarded as arising from the Versailles Treaty and could, after all, be justified from the point of view of ensuring a free and trustworthy plebiscite. In the case of persons not entitled to vote the legal and actual situation is, however, quite different. They are, apart from a small group of foreigners who do not interest us and nearly all of whom will most probably leave the Saar Territory after reintegration and of young people who have not yet reached the age at which they have the right to vote, Reich nationals who moved to the Saar Territory after 1919. There would be no intrinsic grounds whatever for putting these persons on the same footing as those entitled to vote and for placing them in a privileged position compared with other Reich nationals by granting them political licence despite the duty of allegiance implicit in their Reich nationality.

⁵ See document No. 206, footnote 1.

⁶ Not printed (7894/E573027-28).

⁷ See document No. 255 and footnote 2 thereto.

Presumably the Italians will object that the question has been prejudiced by the German declaration of June 2 and the Council's resolution of June 4.⁸ But this is not so. Admittedly the German declaration contains a formal reservation regarding the provisions of Paragraph 39⁹ of the Saar Statute, but this cannot be held to be in any way binding. The Council, for its part, has included a proviso in its resolution of June 4 that on the basis of Paragraph 39 the methods effecting such an extension should be studied; nevertheless, this leaves open the question of whether such extension falls within the competence of the Council pursuant to Paragraph 39, a question, moreover, to which the German representative at the Geneva conference at the end of May expressly replied in the negative. After renewed examination, we must maintain that no ground for such extension is provided for in Paragraph 39.

So that no misunderstanding shall arise as to our position in respect of the practical aspect of this question, we must point out that our attitude must not in any way be construed as implying that it is our intention to start a campaign of revenge after reintegration against inhabitants of the Saar Territory who have no vote, because of their political views. We have no such intentions; nor is it altogether impossible that we may mark the return to us of the Saar Territory with an amnesty, but we consider this to be a domestic affair and can see no real reason nor find any treaty obligation for entering into international commitments on this point.

(b) The question of civil servants (Enclosure 2 to Krauel's report of September 29).

Our examination of the Governing Commission's comprehensive memorandum¹⁰ on this question is not yet quite finished. Judging by the result of a preliminary scrutiny, we certainly cannot subscribe to the opinions of the Governing Commission on all points, but the memorandum's practical aim comes so close to our own views that it seems possible to us to reach agreement without any great difficulty. We would be prepared, after our examination is completed, to appoint experts for negotiations with the Governing Commission.

(c) Nationality (Enclosure 3 to Krauel's report of September 29).

At the Council meeting on May 27, 1933, Herr von Keller¹¹ did not refer to nationality as constituting a special problem upon termination of the provisional Saar régime but merely remarked that, if there was

⁸ i.e., the resolution approving the report by the Committee of Three of June 2; see League of Nations: *Official Journal*, June 1934, pp. 647-650.

⁹ See Editors' Note, p. 229.

¹⁰ For the text of this report of Sept. 4, see League of Nations: *Official Journal*, October 1934, pp. 1207-1213.

¹¹ August Friedrich Wilhelm von Keller, at that time German representative at the League of Nations. For his statement see League of Nations: *Official Journal*, July 1933, pp. 836-837.

any reference to the uncertain future of the civil servants, such as was made by the Governing Commission at the time, from a purely legal aspect there would also have to be some mention of an uncertain future in other matters, amongst them nationality. In fact, the question of nationality upon reintegration constitutes no problem, since according to Paragraph 27⁹ of the Saar Statute the nationality of the inhabitants of the Saar Territory has remained unaffected.

(d) The question of the mines (Enclosure 4 to Krauel's report of September 29).

The Committee of Three wishes to know whether we would be prepared to enter into negotiations with the French Government on the basis of Paragraph 38.⁹ The French Government, however, have requested in their Memorandum of August 31 that the Council of the League of Nations should deal with the whole range of questions regarding the mines. In view of this state of affairs we feel that we ought, in the first place, to await the French reply to the enquiry from the Committee of Three.

This should answer the questions of the Committee of Three as far as this is possible at the present moment.

Naturally we make the proviso that we, too, should take up certain questions with the Committee of Three.

The first question we shall have to submit will be that of the *émigrés*. The attitude of the Governing Commission has led to conditions which are intolerable and incompatible with the Treaty. German *émigrés* have to a very large degree taken control of political life in the Saar Territory and are making propaganda against Germany, especially with regard to the plebiscite question, unchecked. The Saar Territory has, in fact, become their base of political operations against Germany. The toleration of such *émigré* activity against Germany is incompatible not only with generally recognized legal principles but also primarily with the character of the Saar Territory as a plebiscite area, quite apart from the fact that it also jeopardizes peace and order and considerably embitters the plebiscite campaign. Since direct representations to the Governing Commission have been of no avail, we will have to request the Committee of Three to seek ways and means to end such conditions in the interests of ensuring a free and trustworthy plebiscite.

So far as the *modus procedendi* is concerned we see no reason, as matters stand at present, for sending a special delegate to Rome. Both question (a) and the *émigré* question could be exhaustively discussed between you and Aloisi. There are prospects of special discussions on question (b). Question (c) constitutes no problem; as to question (d), we are for the moment waiting for a reply. Should the Committee of Three wish to include any further questions in the scope of its discussions, you should inform us of this. You should also let us

know what the attitude of the French is and, moreover, what ideas Aloisi has on details of further procedure.

I should like to add for your information that, as may be seen from the frequently mentioned Krauel report of September 29, Signor Biancheri has also asked to be informed of our views on financial questions and on the question of social insurance. Since no such request has, in fact, been received from the Committee of Three there is no need for us to make a statement yet. With regard to financial questions the Committee of Three has, moreover, asked in the first instance for an expert report from the Financial Committee which was supposed to have been furnished during the last few days. Should Aloisi revert to these questions, you should say that you have not yet been given any instructions.¹²

NEURATH

¹² In telegram No. 243 of Oct. 23 (7894/E573076-77) Hassell reported that he had embodied these instructions in a Pro Memoria which he had handed to Aloisi. In reply Aloisi had handed him two Pro Memoria, one calling attention to the delay in the German reply to the French Memorandum of Aug. 31 and one listing five questions [see document No. 309, footnote 6] to be studied by the League Financial Committee and inviting German experts to attend the next meeting of the Committee of Three in Rome in November. Copies of all three Pro Memoria were forwarded to the Foreign Ministry under report I 1184 of Oct. 23 (7947/E573396-407).

No. 261

9238/E649245-49

Record of a Conference

[BERLIN], October 20, 1934.

Rk. 9368.

RECORD OF THE CONFERENCE OF HEADS OF DEPARTMENTS HELD IN THE REICH CHANCELLERY AT 12 NOON ON OCTOBER 18, 1934, UNDER THE CHAIRMANSHIP OF THE REICH CHANCELLOR REGARDING THE ALLOCATION OF FOREIGN EXCHANGE

Present: The Führer and Chancellor;

Reich Ministers Hess, Count Schwerin von Krosigk, von Neurath, Darré;

President of the Reichsbank Dr. Schacht;

State Secretaries Dr. Lammers, Funk, Dr. Posse, Backe;¹

Major General von Reichenau, Vice-President Dreyse;

Keppler, Ministerialdirektoren Dr. Ritter, Dr. Moritz,²

Dr. Köhler;²

Reichsbankdirektor Puhl, Reichsbankdirektor Blessing;

Counsellor Baer (Foreign Ministry), Ministerialrat Dr. Willuhn (as Minutes Secretary).

¹ Herbert Backe, Joint State Secretary in the Reich Ministry of Food and Agriculture.

² Ministerialdirektor in the Reich Ministry of Food and Agriculture.

The President of the Reichsbank, Dr. Schacht, stated that the monthly foreign exchange returns only amounted to approximately 360 million RM. Moreover they showed a declining trend. Against this the monthly requirement amounted to approximately 520 million RM. Every effort was being made to increase exports. However, the possibility for this was scant. There was no question of increasing exports by a currency devaluation, both for reasons of domestic policy and also because after a period of three to six months the present state of affairs in the export trade would again prevail. Approximately 20 per cent of our exports were being subsidized by foreign countries through familiar channels (scrips, bonds, etc.). Foreign countries were no longer counting on us to pay off the long-term debts. Nevertheless, the short-term debts must in all circumstances be paid off, as otherwise credit transactions would no longer be possible at all and trade on the whole would have to change over to cash buying, which would be intolerable for the German economy. To enable us to pay for the increased raw material requirements, savings would have to be made in imports wherever this was still possible today. The Reich Ministry of Food and Agriculture had during the past months imported more than was necessary. We had a national reserve in grain of one million tons and in fats of 150,000 tons. A decision would now have to be taken as to whether this reserve could be consumed or whether in any case we would have to keep it. Should we decide to use it up, it would be possible to improve raw material supplies to industry. These supplies were especially inadequate in the textile industry, where conditions were particularly unfavourable with regard to cotton. Some of the factories which used cotton for manufacturing only had supplies left for a fortnight's work; the others had larger stocks. The situation was better in the wool industry. The metal industry was also better supplied. The rubber industry had stocks of raw material for approximately two months. There was enough motor fuel for 3 to 3½ months. The preparation of the large plants for the production of motor fuels would still take fifteen to eighteen months. Large scale synthetic fibre production could not begin for about another year. In order to improve raw material supplies to industry, it was necessary to save foreign exchange in respect of imports of foodstuffs. It must also be investigated as to whether we could ration fat consumption. This consumption was higher than before the war. It had increased by 50 per cent. The question must also be examined whether the number of cattle should be maintained on the present scale. We had cattle on a scale which exceeded anything there had been before in the German Reich.

The Führer and Chancellor stated that for the purpose of cutting down imports of feeding stuffs a reduction of cattle would have to be considered. We must have tinned food. He thought that inroads

into our national reserve could be more easily borne than a deterioration in industrial employment. Industry must be kept active, particularly in the winter. Moreover that part of industrial production earning foreign exchange through exports must in no circumstances be restricted. We could start again next spring with replenishing our national reserves.

The Reich Minister of Food and Agriculture pointed out that he had stopped trading in rye so that it would not be used as fodder. Large numbers of cattle were being taken out of the market and processed into tinned meats. The cattle concerned here were such as gave poor returns for the fodder consumed. It was not possible at the moment, however, to slaughter pigs on a large scale, as the tinned meat factories were working to capacity. It was necessary in the difficult foreign exchange situation that foreign exchange policy should be decided by an authority where he, too, would have a voice. He could not accept the present state of affairs in which the Minister of Economics dictatorially took the decision alone.³

State Secretary Backe gave the figure for the yearly foreign exchange requirements for food purposes, including proceeds through clearing accounts, as 850 million RM; 140 million of this were needed for feeding grains. The balance went to pay for imports of oil seeds, oil fruits, butter, cheese, etc. A foreign exchange demand also necessarily arose from the fact that the imports must be paid for on the basis of the trade agreements. The national grain reserve was now one million tons. Even if the fat reserve were broached, imports of oil seeds and oil fruits would still always be required for the production of margarine. For technical and nutritional reasons the whale-oil reserve by itself was not adequate for the production of margarine. If no guarantee could be given that fat supplies had been secured then fat rationing would have to be introduced at once. A saving could be made in cash holdings of foreign exchange by obtaining grain from Russia and possibly from Poland in a three-party transaction with Russia.

Major General von Reichenau declared himself agreeable to the release of the grain and fat reserves.

The President of the Reichsbank, Dr. Schacht, pointed out that it was necessary to draw up a list of priorities for the allocation of foreign exchange. For this purpose there must be close cooperation between the Reich ministries concerned. Foreign exchange receipts and foreign exchange demands would have to be balanced in every case as it arose.

The Reich Foreign Minister referred to the Commercial Policy

³ Previous documents on the divergence of opinion between Schacht and Darré about the allocation of foreign exchange have been filmed on Serial 9238.

Committee as the competent body through which questions of foreign exchange could be dealt with.

The President of the Reichsbank regarded this suggestion as worth considering and proposed to have a conversation on this.⁴

W[ILLUHN]

⁴ Subsequent documents on this topic have been filmed on Serial 9238.

No. 262

8826/E614334-40

*Vice President of the Reichsbank Dreyse to
Ministerialdirektor Meyer*

PERSONAL

BERLIN, October 20, 1934.

Received October 23.

MY DEAR MINISTERIALDIREKTOR: In accordance with the wishes you expressed by telephone,¹ I am submitting the following information based on my notes.

At Thursday's conference in the Reich Chancellery,² the Danzig representatives, especially Herr Schäfer³ and Herr Hoppenrath,⁴ explained in detail that Danzig could not manage without regular transfers of sums in payment of the German trade debts and of the subsidies from the Reich for the Danzig budget, and that, if present conditions continued, Danzig would gradually find herself in an economic and financial situation which would certainly prepare the ground for Poland, whose desire it clearly was to absorb her. However, it is obvious that there is no cause to fear that a really serious worsening of the situation need be expected before the beginning of the spring or, for that matter, before the Saar plebiscite. At previous discussions the gentlemen from Danzig had been instructed to make proposals for economies in the budget as well as in administration, and for organizing the flow of goods from Germany to Danzig. The gentlemen did not comply with these instructions, even on Thursday, but confined themselves to pointing out in a general way the difficulties arising from the Constitution and from Danzig's relations with Poland, but they admitted that some form of reductions in salaries, or taxes having the same effect, would be possible, and also that the transfer of a certain number of officials back to Germany might be considered. The direction, already introduced, of a large number of young people to East Prussian Labour Service camps, as well as the placing of apprentices of school-leaving

¹ On Oct. 20, according to a memorandum by Meyer of Oct. 21 (8826/E614332).

² No record of this conference on Oct. 18 has been found, but see documents Nos. 259 and 327.

³ Dr. Carl Schäfer, President of the Danzig State Bank.

⁴ Dr. J. Hoppenrath, Senator in charge of finance.

age in Reich German apprenticeships, should likewise be continued. The imports from the German Reich into Danzig had previously amounted to RM 80 million and in the meantime had fallen to RM 17 million. All goods which Danzig sold in Germany should as far as possible be paid for by an increase in German exports to Danzig. Danzig agriculture would do better to devote itself to supplying the Free State territory with agricultural products in order to reduce the need for Polish imports of such products, and thus to improve the foreign trade position between Danzig and Poland in Danzig's favour.

The Reich Finance Minister, Count Schwerin von Krosigk, made particularly detailed observations on the need to reduce budget expenditure and to create possibilities of increasing imports from Germany; on these observations Danzig still has to make practical proposals.

The Chancellor recognized the pressure caused by Germany's foreign exchange position, but at the same time was of the opinion that Danzig must not be allowed to fall into a predicament which might be exploited by Poland to carry through her aim of Polonization. Danzig was an essential bridge between East Prussia and the Reich, and Danzig University an essential centre of German culture for the East. Naturally, every effort must be made in Danzig, and this must particularly be the task of the Movement, to reduce Germany's foreign currency subsidy as much as possible. But the amount which, on the basis of the discussions to be undertaken between Danzig and the competent Reich departments, is fixed by the latter as a minimum payment, should indeed be transferred by Germany. An attempt to economize on transfers as a result of the difficulty of the present position might later bring bitter retribution and increase the cost of winning back this essential bridgehead in a manner out of all proportion to the economy in foreign currency required at present. It should be investigated as to whether there were still any areas to which transfers were being made for prestige or other reasons, since it would be better to economize on all such transfers in order to make the transfer to Danzig possible. The Foreign Minister did not think that any areas were still receiving such payments.

At the conclusion of the discussion, another short conference took place, under the chairmanship of the Reich Finance Minister, regarding the extent to which Danzig could put the suggestions made to her into practice. It emerged, however, that there was obviously no possibility of making or receiving precise proposals immediately. The Danzigers should begin discussions on the matter with the competent officials, or possibly with those still to be designated, in the Finance, Economic and Foreign Ministries respectively, as well as with the Directorate of the Reichsbank.

In addition the following request was made specially to the Reichsbank:

that Danzig should receive from the Reich monthly

RM 500,000 for pensions etc.

RM 350,000 for wages at Schichau.⁵

RM 100,000 in bills of exchange for the Germans studying at Danzig University.

RM 950,000

RM 100,000 for retired people on small fixed incomes etc.

RM 1,050,000 per month.

Of this, transfers for the first three items have been agreed to, so that there remains only the question of a promise to transfer the last RM 100,000. I told the gentlemen that the Reichsbank was no longer the office responsible for distributing foreign exchange. I was, however, prepared to forward the request, with the urgency desired, to the Distribution Commission composed of representatives of the different Ministries.

When I asked whether the sum of RM 950,000 per month had actually been promised to them, this was repeatedly confirmed. No one could tell me, however, who had made the promise.⁶

Here at the Bank we only know of a promise of RM 500,000;⁷ beyond this, as each case has arisen, amounts have indeed been transferred, but this was in each case a special payment which, as far as we know, it was never agreed to turn into a regular payment.

I telephoned to the President of the Bank of Danzig³ to find out from him which authority had made promises regarding transfers for items 2 and 3, but even he knew nothing definite; he promised, however, to make investigations and report to me.

As soon as I hear from him, or from the Distribution Commission, how far the assertions are correct, I will not fail to inform you.⁸

Heil Hitler,

Yours,

DREYSE

⁵ i.e., Schichau-Werft, a shipyard in the City of Danzig.

⁶ See document No. 259.

⁷ See document No. 96.

⁸ In memorandum RM 1239 of Nov. 3 (3015/598324), Neurath recorded that Greiser had told him that day that the Vice President of the Reichsbank, Dreyse, had refused any transfer of foreign exchange to Danzig. Neurath informed Schwerin von Krosigk, who agreed to take the matter up.

No. 263

9356/E662924-29

The Minister in Yugoslavia to the Foreign Ministry

2284 Po. 5 Ju.

BELGRADE, October 22, 1934.

Received October 24.

II Balk. 2495 Js.

POLITICAL REPORT

Subject: Profound impression created by, and striking success of, German manifestations of sympathy on the occasion of the assassination of King Alexander, particularly by sending Minister President Göring to attend the funeral ceremonies as the personal representative of the Führer and Supreme Commander of the German Wehrmacht.

With reference to my telegram No. 53 of October 20.¹

In order to appreciate fully the success which has been achieved in the realm of propaganda through Germany's manifestations of sympathy, and particularly through sending Minister President Göring to attend the funeral ceremonies in Belgrade, it is necessary to realize the state of mind to which the Yugoslav people had come after the assassination at Marseilles.²

The news that the King had been murdered had not only called forth the most profound grief amongst all circles and classes of the people, but had simultaneously aroused violent indignation at the incredible negligence of the French police, an indignation which mounted steadily as the circumstances of the assassination became known. It was recalled how unwillingly and after how much hesitation the King had accepted the French Government's invitation; it was said that the French Government had haughtily rejected an offer to send officials of the Yugoslav Criminal Police; and, what is more, the suspicion was openly voiced that the elimination of so authoritarian a leader as the King was probably not unwelcome to certain leftist circles in France. Only by the most strenuous efforts did the Government succeed in preventing this popular indignation from manifesting itself in the press and in demonstrations being staged against France. As symptomatic of the feeling that has been aroused, it may be mentioned that the French monument to victory on the Belgrade Citadel has had to be placed under police protection, as several attempts have been made to damage it by stone throwing.

It is clear that with the people in such a mood the ground was very

¹ Not printed (9356/E662920-21). This telegram gave a brief summary of the despatch here printed.

² See Editors' Note, p. 468. The funeral of King Alexander took place on Oct. 17.

well prepared for a particularly friendly reception of Germany's manifestations of sympathy. Already the warm German official expressions of condolence, and the extraordinarily sympathetic appreciation given by the press to King Alexander himself and to his political work, have met with a ready response among the people everywhere. The delegation of a special envoy to the funeral ceremonies was everywhere regarded as a gesture of special friendship, the more so as it was recalled that the Yugoslav Head of State had been represented only by the Minister *en poste* at the funeral of the late Reich President. When it became known that the Führer of the German people was going to be represented in his capacity as Supreme Commander of the German Wehrmacht also, and this by a person who is looked upon as his most intimate collaborator and who has been most happily remembered here since his brief visit last spring, the impression made by this exceptional gesture was simply overwhelming. During the past few days I have received confirmation from the most varied sources that of the Heads of States and prominent foreign persons attending the funeral the interest of the whole nation was centred above all on Minister President Göring. The aged Marshal Pétain took only second place, while Lebrun, the French Head of State, passed almost unnoticed. Wherever Minister President Göring appeared in public, he quickly won all hearts by the strength of his personality and the convincing sincerity of his expressions of deepest sympathy for the deceased King and for the Yugoslav people. So it was that the reception by the Presidium of the Skupština, which was intended to be only a small affair, after a few minutes turned into a genuine ovation for the Minister President and the new Germany, although a considerable portion of the great number of Deputies and Senators attending could in no way be regarded as having been pro-German hitherto.

This surprising change of mood in our favour was also clearly expressed in the press,³ although the Government did all they could to avoid a too noticeably brusque treatment of France.

Naturally, for obvious reasons, it was not altogether easy for official quarters to give vent to the feelings of warmest gratitude for Germany's generous gesture which undoubtedly stirred in them. Compelling political considerations were bound to exert a certain amount of restraint. It is all the more gratifying, therefore, that Prince Paul received the Minister President and Ambassador von Keller⁴ at a long audience on the very day of their arrival, while nearly all the other

³ Under despatch II Balk. 2357 Js. of Oct. 31 (9356/E662936) Köpke transmitted to Moscow copies of Belgrade despatch No. 2309 of October 23 (9356/E662931-35), Belgrade telegram No. 53 of Oct. 20 (see footnote 1 above) and a DNB report (not found) on an interview Göring gave to Ward Price (presumably the interview reported in the *Daily Mail* of Oct. 18).

⁴ August Friedrich Wilhelm von Keller, Ambassador on special mission. Keller had been German Chargé d'Affaires and Minister in Belgrade 1920-1922.

Heads of Delegations, in so far as they were not related to the Royal family, were not received by Prince Paul in person until the day after the funeral. Even Queen Marie, the Queen Mother, asked the Minister President to call on her the day after the funeral, since, through the oversight of an official of the Chamberlain's office, she had not been able, as she wished, to see him on the day of the funeral itself, during the journey by special train from Belgrade to Mladenovać. Lastly, the Yugoslav authorities from the start did all they could to keep the stay of the German guests free from friction, and to express by the special warmth of their welcome their gratitude for Germany's manifestation of sympathy, which far exceeded customary international courtesy—and this despite the not inconsiderable difficulties which were bound to arise in the relatively primitive conditions of a city like Belgrade, when giving appropriate attention to a great many high-ranking delegates at one and the same time. The security arrangements were of the highest order and the gentlemen assigned by the Foreign Ministry and the Ministry of War were unflagging in their efforts to comply with every wish.

To sum up, I can only repeat that the events of the past few days must be regarded as a complete success from the point of view of propaganda for the German cause, above all amongst the broad masses of the people, but also penetrating deeply into political and Government circles. Even though such feelings, stirred up by the particular situation of the moment and by the strength of a great personality, can of course only be temporary in their full intensity, nevertheless, there will remain an exceptional growth of newly-won friendship and sympathy to maintain, and if possible increase, which will be a task of equal difficulty and responsibility. For it is quite clear that France, who will be the first to bear the brunt of this increase of pro-German feeling, will leave no stone unturned to regain her former position and disturb German-Yugoslav relations. This danger must not be underestimated, since in this endeavour France today can rely more than ever on her powerful political position in Europe, particularly where Yugoslavia is concerned who has been weakened internally and externally by the death of the King. France sees to it that the divergence between the feelings of the people and the real demands of Yugoslav foreign policy is kept constantly in evidence, in the hope of injecting in this way the poison of mutual disappointment into German-Yugoslav relations. We can best meet this danger if we avoid as scrupulously in the future as in the past, making demands on Yugoslavia which, for compelling reasons of her position in international politics, she can either not comply with at all or the fulfilling of which, though perhaps in keeping with her feelings, would nevertheless cause her difficulties where foreign policy was concerned. Therefore, the more we confine ourselves to the expansion of our economic and cul-

tural relations with Yugoslavia in the near future, the more hopefully we may look forward to reaping what has been sown during the past few days.⁵

HEEREN⁶

⁵ Marginal note: "1 Chancellor. 2 Göring", in Neurath's handwriting. The document is also marked: "The Chancellor is informed. L[ammers], Oct. 30."

⁶ Under cover of a despatch dated Oct. 31 (9356/E662930), copies of the document here printed were forwarded to the Embassies in Paris, Rome and Moscow.

No. 264

9350/E662530-33

The Minister in Yugoslavia to the Foreign Ministry

2297 Po. 5 Ju.

BELGRADE, October 22, 1934.

Received October 24.

II Balk. 2496 Js.

POLITICAL REPORT

Subject: Yugoslavia's situation in home and foreign affairs after the death of King Alexander.

Fears entertained in certain circles abroad that the King's death would promptly result in internal disturbances in Yugoslavia have so far been in no wise borne out. In point of fact, the whole country has remained perfectly quiet except for a few unimportant demonstrations against the "enemies of the State" and their supposed foreign protectors. The concern of the entire nation was so real and universal that it could hardly have been expected by the late King himself, who so often had to bring order into domestic politics with a heavy hand. This applies equally to those parts of Croatia which the special train skirted when taking the body of the King from Split to Belgrade. Members of the Italian delegation in particular were greatly impressed by this spectacle and openly expressed their amazement at the close bonds between the Yugoslav people and its Royal family which were thus demonstrated.

If, nevertheless, Yugoslav political circles here too view the future with anxiety, this is not due to any imminent danger of disturbances breaking out, but to a realization of the exceptionally difficult problems of domestic politics with which the Regent¹ will be faced in the near future. At the time of King Alexander's death these problems had in no way been solved. The King's strong personality had only managed to keep down opposing tendencies with a firm hand and thus prevent their causing any disturbance of foreign policy. But the late King

¹ On the death of King Alexander his first cousin Prince Paul became Regent during the minority of the King's son, Prince Peter; see also footnote 3 below.

himself, particularly in the last year of his reign, had tried time and again to find a *modus vivendi* with the opposition, and undoubtedly intended, even before the next parliamentary elections which are due in about a year's time, to arrive at some settlement of the conflicts within the State. It can already be observed that his tragic death is beginning to affect internal affairs in two opposite directions at once. On the one hand, the tremendous impression made on the people by the catastrophe and the aggravation of the strain in relations with Italy and Hungary caused by the circumstances of the assassination have resulted in a greater readiness on the part of the opposition to reach a settlement and to cooperate in the State. A striking example of this is the return to active politics of Korošec, the leader of the Slovenes and a former Minister President,² whom the Prince Regent released from internment on the Isle of Hvar a few days ago. But on the other hand, the opposition naturally sees the present situation as the dawn breaking. The Prince Regent is regarded as a person of Western European mentality who, having been educated in Britain, is accustomed to viewing questions of home politics as the British do. It is understandable, therefore, that the opposition believe the moment has come to dismantle the régime of dictatorship, and in realizing their desires they have the great advantage of being able to some extent to base their case on what the late King himself had in mind. It may be assumed that the Prince Regent will not take any precipitate action in these matters but will first wait until his own position has been clarified in the Regency Council³ and also in relation to the various power groups in the country. Therefore it is also generally assumed that the Government, which is at the moment in the process of reconstruction, whatever form it may take at first, will nevertheless only represent a provisional arrangement. Obviously, in view of the confused situation prevailing at home, Yugoslavia's major aim in foreign policy during the immediate future must be to avoid all unnecessary conflicts abroad and to seek protection within the existing alliances against possible attempts by Italy to make political capital out of Yugoslavia's sudden weakness. Consequently, however much the tide of popular favour may be running against France and towards Germany, and however much the Prince Regent himself may be disposed to incline towards Britain rather than towards France, it will hardly be possible in the near future for such sentiments to find expression in practical politics.

² Dr. Anton Korošec, 1872-1940. Minister President of Yugoslavia from July 1928 to January 1929 when he resigned. He was interned by King Alexander, after issuing a manifesto on Jan. 1, 1933, as the leader of the Slovene Clerical Party, calling for Slovene autonomy. The murder of King Alexander on Oct. 9, 1934, moved him to make an appeal on Oct. 16 to his followers for a moral truce.

³ The Council of Regency consisted of three members designated by King Alexander himself in his will, namely, Prince Paul, Dr. Radenko Stanković, a former Minister of Education, and Dr. Ivo Perović, the Ban of the Savska Banovina.

Since no one could be more interested than ourselves in Yugoslavia's pursuing an independent foreign policy, we would be well advised to show in our press sympathetic consideration for Yugoslavia's need for peace and quiet in foreign affairs during the period of her internal recovery, and not to disturb it by any political combinations which would in any case be bound to miscarry at present, given the prevailing situation in European power politics.⁴

HEEREN

⁴ The document is marked: "The Chancellor is informed. L[ammers], Oct. 30."

No. 265

4620/E200976-79

Ambassador Schulenburg to State Secretary Bülow

Moscow, October 22, 1934.

DEAR HERR VON BÜLOW: Although the impressions I have gained here so far can of course only be superficial, I would like, nevertheless, to send you a few lines.

I myself have met with kindness everywhere here; but this does not conceal the fact that politically they are still very angry with us. The reasons are familiar; I need not repeat them. Nearly all the Russians to whom I paid my first official visit avoided all mention of political matters; they were obviously acting on orders. The only exception, in fact, was M. Kalinin, who had just returned from leave and who had perhaps not yet received these orders. I have reported his observations by telegram.¹ They were to the effect that the Soviet Union, too, desired an improvement in relations with Germany, that politics changed, that hope must therefore not be abandoned and that in the first place the minor irritations (the press etc.) would have to be removed. M. Litvinov, too, obviously intended not to mention politics at all for the moment. Nevertheless, a special matter² did bring us on to this subject, and M. L[itvinov] then stated his well-known view that he had done his best but that we had rejected everything. M. L[itvinov], too, however, used the words: "The Soviet Union, too, desire an improvement in relations with Germany." I should like to add that, on the two occasions when I called on him, M. Litvinov was personally very amiable but that in spite of this I cannot help feeling that he is our chief opponent. M. Chintchuk³ was particularly amiable. He did not mention politics either, but repeatedly asked whether he could be of assistance to me; unfortunately, his influence is probably

¹ See document No. 229.

² Evidently the Fuchs case; see document No. 233 and footnote 1 thereto.

³ The retiring Soviet Ambassador in Germany.

not very great. M. Chintchuk emphasized that during his work in Berlin the Party, too, had treated him very kindly.

I have, on principle, taken the line of not forcing people here to discuss politics if they did not wish to do so. It seemed to me better for us to take each other's measure first and to wait a little while longer before taking any further steps. I trust, dear Herr v. Bülow, that you will agree with this view.

Meanwhile, the press campaign against us continues merrily here. It has received fresh impetus from the events at Marseilles.⁴ They are picking out anything here which might weigh against us in this affair, and the fact that those most nearly concerned, namely the Yugoslavs, have no thought of reproaching us, is being suppressed. I called on M. Litvinov about this. He promised me that he would do his best to put a stop to the press campaign. Result: nil. On the contrary, today's leading article in *Izvestia* is absolutely outrageous. I shall therefore call on the Commissar for Foreign Affairs again. There can hardly be any doubt that this article is meant as a reply to the statements which Minister President Göring is alleged to have made in Belgrade.⁵ Unfortunately, we still have no authentic information as to what really happened in Belgrade, but it emerges even from the Soviet press that Minister President Göring's statements are being distorted. It is, of course, always the same; everything is being turned to our disadvantage. We can hardly do anything drastic about it at the moment, but M. Kalinin is probably right; politics change; things may be different tomorrow.

I was last in Moscow four years ago. Since then the city has changed very much for the better. All the shop windows are full of goods, very many streets have been asphalted, there are apparently no difficulties regarding the food supply, and everywhere there are signs of a progressive "bourgeoisification" [*"Verbürgerlichung"*]. I know that these things cannot simply be taken to be general, but there are undoubtedly developments in progress here about which we know little as yet.

All sorts of rumours are current here, as, for example, that the Red Army "urgently" desires to establish better relations with Germany and is even prepared actively to advocate this. It seems to me that these rumours are not altogether without foundation. Nevertheless, we had probably better wait and see what actually happens. The Commissar for War, Voroshilov, is away at present; I shall probably not make his acquaintance until the beginning of November.

The broad policy of the Soviet Union is at present apparently one of wait and see. No one can as yet clearly foresee what in fact the

⁴ See Editors' Note, p. 468.

⁵ Göring attended the funeral of King Alexander in Belgrade on Oct. 20, 1934. See documents Nos. 263, 269, 273, 284, 292 and 305.

results of the assassinations at Marseilles will be. The view is often expressed here that the basis of Soviet policy, i.e., keeping a free hand in all circumstances and not entering into any commitments the scope of which cannot be foreseen, will be maintained.⁶

I am, dear Herr v. Bülow, etc.,

F. W. SCHULENBURG

⁶ Marginal notes: (i) "The good reception accorded to the new Ambassador and the correct and even friendly treatment of the espionage case in Leningrad are in any case favourable symptoms. B[ülow], Oct. 24." (ii) "Has been submitted to the Foreign Minister. K[otze], [Oct.] 24." (iii) "To Herr von Renthe-Fink with the request to inform Moscow of the report from Heeren [document No. 263]. v. T[ippelskirch], Oct. 25." (iv) "Memorandum for Moscow is in preparation. R[enthe]-F[ink], Oct. 25."

No. 266

5737/H029053-56

The Ambassador in Italy to the Foreign Ministry

Telegram

No. 242 of October 23

ROME, October 23, 1934—7:15 p.m.

Received October 24—10:40 p.m.

II It. 2432.

In my first long conversation with Mussolini on my return from leave I described to him the atmosphere I had found in Germany and the serious consequences of the agitation in the Italian press; but I also emphasized that the sincere desire to cooperate in the sphere of our common interests still existed, provided it also obtained in Rome. I also expounded to him, as I had to Suvich,¹ Germany's policy of non-intervention in Austria, which, at any rate, removed all grounds for complaint in Italy, whereas the Austrian Government's attitude towards National Socialism remained unchanged. Mussolini, who was obviously aware of the immoderate tone taken by the Italian press last summer,² also pointed out that the *Popolo d'Italia*, instead of the *Popolo di Roma*, had been wrongly blamed for the worst excesses; he complained in particular (as he had also done to Kánya)³ about the "ridiculous" German accusation of "treason" and added that he had strictly forbidden any further attacks on Germany. Unfortunately, however, the German press was exploiting the Marseilles assassination⁴ and Pavelić's arrest⁵ in order to make derisory and extremely hostile

¹ See document No. 230.

² See document No. 132.

³ In telegram No. 241 of Oct. 22, 1934 (9564/E673387-89), Hassell reported his conversation with Kánya during the latter's visit to Rome; Kánya had asked him whether Germany could not make a *beau geste* to allay Italian mistrust.

⁴ See Editors' Note, p. 463.

⁵ See document No. 268, footnote 2.

comments. Mussolini had a selection [of these] in front of him and read out comments which represented the extradition of Pavelić as a test of Italian loyalty, although there was after all no question of extraditing political refugees, especially since there was no extradition agreement with France. I rejoined that such comments were merely replies to suspicions about Germany which had been voiced in the Italian press in connexion with the same affair. Mussolini said that the Italian press had only quoted foreign reports, a point which I particularly disputed by drawing attention to the suspicious tone of the headlines. Mussolini stated that he had once again instructed the press not to take German reproaches as grounds for a fresh campaign. I advise not pressing the Pavelić affair etc. too far in the German press, unless there is fresh Italian provocation. Mussolini said further that Italy's policy had been clear from the start, that is to say, on the one hand support of well-known German claims, on the other, opposition to the *Anschluss* or its equivalent. I replied that he must surely feel reassured now regarding German policy towards Austria. Mussolini agreed that propaganda had for the moment subsided but added that otherwise the position was still not quite clear to him. Our official and public statements were, moreover, still always couched in a negative sense only and, in addition, were always limited as regards time ("there was no question of an *Anschluss* for the present", etc.). I interjected that as regards the time factor we had indeed affirmed Austria's independence repeatedly and positively and that policy could not be laid down for all eternity; surely he himself would not wish to demand of us renunciation for all time. Mussolini said that two things were clear: (1) that Austria was a German country, (2) that she must be independent. Much would be gained, if only in the interests of dispelling the confusion which had arisen, if the Führer were to make a clear public statement on a suitable occasion to the effect that Germany recognized Austria's independence and would not interfere in her internal affairs. No precise statement of this kind had ever yet been made (he did not touch upon Aloisi's idea).⁶

Since it emerged from Mussolini's further remarks that he greatly distrusted Germany's policy in South-East Europe, I countered with the same argument which I had put forward to Kánya. Mussolini nevertheless remained suspicious, referred to General Göring's interview,⁷ and added that he could not understand our thinking we would in this way destroy the French system of alliances. Certainly France's internal weakness had made her satellites more cautious but, as Beck's latest statement showed, there was no question of a breakaway. Poland was only using our conciliatory attitude for the complete

⁶ See document No. 241.

⁷ See document No. 263 and footnote 3 thereto.

Polonization of the Corridor and, generally, for a ruthless policy against all that was German, whereas we were tying our own hands by the sweeping developments lately manifest in the *rapprochement*. He was no longer quite clear in his mind as to what German policy was aiming at, especially since Russia, too, had completely gone over to France for the time being, while Britain, likewise, was still persisting in defending British interests on the Rhine side by side with France. On the disarmament question Mussolini⁷ remarked that he regarded the matter as closed and, although Britain was not greatly in favour of ships of 35,000 (thirty-five thousand) tons, he was maintaining his stand, which was no mere bluff, since the ships would in fact be laid down.⁸

I took the opportunity provided by a brief discussion of the Saar and Memel questions to hint, while acknowledging Aloisi's and Biancheri's loyal work, at Italy's lack of drive in the Memel question⁹; of this he took note.

Mussolini said in conclusion that just as I had described German feelings frankly so he, without mincing his words, had expressed his own misgivings and doubts, this being the best method of securing mutual political understanding.

HASSELL

⁸ See document No. 5.

⁹ See also document No. 209. In London despatch A 3507 of Oct. 5 (8921/E624510-13), Bismarck reported a conversation with the British Chargé d'Affaires in Kovno who considered that the Memel problem had been greatly complicated by the fact that, since the estrangement between Germany and Italy, the Italian Government had adopted a clearly pro-Lithuanian attitude and had obstructed all efforts at joint action by the guarantor Powers. A copy of this report was sent to Rome under cover of despatch IV Rd. 4854 of Oct. 12 (8921/E624510-13).

No. 267

6001/E44054-61

Ministerialdirektor Köpke to Ambassador Hassell

BERLIN, October 23, 1934.

II It. 2429.

DEAR HASSELL: Today I particularly want to answer your two interesting and important letters of October 17¹ and 18² in which you discuss Aloisi's proposal³ and our instructions sent in reply in telegram No. 301 of October 13.¹

The considerations which you adduce, particularly in your letter of the 17th, have of course not been far from our own thoughts. We have naturally considered this important question at length and from all angles. To begin with I would like to say that German policy

¹ See document No. 241, footnote 4.

² Not printed (6001/E443045-47).

³ See document No. 241.

must in our view too aim first and foremost at entering once again the international field. The situation in Geneva, where despite our reserve, or precisely because of our silence, the differences between the other Powers were laid bare and came into collision with each other unchecked, will not I fear recur very soon. In the long run mere reserve and watchfulness on our part will certainly not suffice. We cannot simply leave the field to France so that she can work undisturbed on every side and spin her web of encirclement without let or hindrance. We are also quite clear that good and friendly relations with Poland and Yugoslavia alone will not relieve us of the burden of French pressure which, as far as one can see at present, may be expected to increase. The enclosed telegram, which we fully endorse, from Heeren of October 20⁴ will give you our attitude towards Yugoslavia, which will of course be of particular interest to you in Rome. It is therefore not the case that we have, so to speak, written Rome off. If Cerruti, as you inform us in your letter of the 18th, has expressed himself differently, as he is said to have done, then he has been guilty of gross exaggeration.

You see that so far we are entirely in agreement with you. The decisive point, however, is that we do not consider our agreement to Aloisi's proposal for our accession to the Three Power Declaration³ to be either timely or appropriate as a means of approaching Italy so as to ensure our own more effective return into international politics. In this respect our evaluation of the intentions at the root of the Italian proposals differs from your own. We very much doubt whether this is a genuine attempt on the part of the Italians to include us seriously again in international discussions and more especially in the handling of problems of special interest to Italy. This seems unlikely to us in view of the present situation. Active Italian policy is at the present time only concerned with France. With regard to this, your letter of the 18th contains valuable evidence. We fear that the Italians have ultimately only been concerned with strengthening their own position in negotiating with France, while giving the impression of playing the part of mediator between Germany and France at our request. Indeed, in the end they would, wherever possible, force us to take the initiative and so manoeuvre us into a position which could only be interpreted by world opinion as a capitulation on our part, induced by a sense of weakness.

In this connexion, I would like once more particularly to emphasize that in studying Aloisi's suggestions we did not, as you appear to think, attach too much importance to the business of the Three Power Declaration and that it was certainly not only reasons of prestige that caused us to send the instructions of October 13.¹ We are, on the

⁴ See document No. 263, footnote 3.

contrary, rejecting Aloisi's proposals because we do not consider them appropriate for reactivating German-Italian discussions on the Austrian problem. Italian policy will in fact hardly be materially influenced by either our acceptance or our rejection. The present situation is simply not yet ripe for *démarches*, even of the nature indicated by you. The international situation must first clear up and develop. The difficulties between France and Italy forecast by you, doubtless quite correctly, must first of all begin to resolve themselves (and so must those between France and Russia). Furthermore, as we indicated in our telegram of October 13, Austria's reaction to our present attitude and to Papen's mission of reconciliation⁵ must be clarified. Even today nobody knows who is the cook and who is the bottle washer in Vienna. The Government are, despite or because of Italian intervention, just as weak as they were before. Only one thing is clear and that is that without Germany Austria can never become economically or politically sound again. Italy is not in a position to give aid by herself. Nor does it help for thirty Austrian policemen in uniform to take part in the Police Parade in Rome and to be showered with applause as they marched past the stands. Nobody knows this better than Mussolini himself. Time is definitely on our side where the Austrian question is concerned. On the other hand, we are naturally quite clear in our minds that, if we resume discussions with the Italians, Austria will always be in the forefront. I have not the slightest doubt, however, that the Three Power Declaration would not play a decisive part in such conversations and moreover that it will in fact only prejudice any really fruitful political discussions with Italy which might be held later, should the treatment of the Austrian question no longer be a *res integra*, so to speak, in consequence of our accession to the Declaration.

Taking it all in all, we consider Aloisi's proposal unacceptable, both in itself and tactically speaking, because it does not get us any further. This also applies to the other questions mentioned in your letters (the Saar, disarmament, Memel). A rejection of Aloisi's proposal may bring with it temporary disadvantages, but for us to accept the proposal would certainly not bring about a lasting *détente*. To complete our review, the distinction which you make between the private proposal and a possible forthcoming official invitation from the Three Powers does not appear to us to have any practical significance. I write these lines in agreement with the Foreign Minister and the State Secretary to whom I showed both your letters referred to above. You may therefore certainly consider yourself empowered to use the relevant parts of my foregoing remarks in conversation with Aloisi, should the matter be brought up again by the Italians.

⁵ See document No. 123.

Finally a brief observation on the last paragraph of your communication of October 18, in which you quite rightly point out how amusing it is that the Italian press do not notice, in their zeal, how Machiavellian they make us out to be, and that on the one hand they suspect us of being allies of King Alexander, and on the other they maintain that we are behind the conspirators who are guilty of the King's murder.⁶ Precisely the same idea is set forth by Oeri in the *Basler Nachrichten* in his leader of October 20/21, "The Responsibility for Marseilles". Oeri brands Italy's attacks upon us, on which you yourself have already reported, as "an Italian diversionary offensive in favour of Hungary". He then continues "It does not sound at all convincing; for Germany, whose hopes in foreign policy in no small measure depend on completely winning over Yugoslavia, had no interest whatsoever in the removal of King Alexander."

KÖPKE

⁶ See Editors' Note, p. 468.

No. 268

7827/E568342-45

*Circular of the Foreign Ministry*¹

URGENT

BERLIN, October 25, 1934.

Sent October 27 and 29.

e.o. II Balk. 2509 Js.

Some sections of the press abroad have, in connexion with the assassination in Marseilles, the instigators of which are being sought for amongst Croat *émigré* circles, also made accusations against Germany. These accusations are to the effect that a centre for Croat *émigrés* had been tolerated in Berlin, and that it had been frequented particularly by Croats whose names have come up most frequently in the Marseilles investigations, such as Dr. Ante Pavelić² and Eugen Kvaternik,³ as well as Dr. Branimir Jelić.⁴ It is being asserted that Germany toler-

¹ Addressees were the Missions in Paris, Rome, London, Moscow, Prague, Bucharest, Sofia, Budapest, Vienna and Lisbon. A copy was sent to the Legation in Belgrade on Nov. 1.

² A prominent member of the Ustaša (Croat Militia) and one of the chief *émigrés* living from time to time in Berlin. An editor, together with Dr. Branimir Jelić, in Berlin of the *Croatia-Press* and *Nezavisna Hrvatska Država*. He was arrested on Oct. 17 at Turin on suspicion of complicity in organizing the assassination, but it was subsequently announced that it had been decided to refuse the French request for his extradition.

³ One of the chief Croat *émigrés*, a member of the Ustaša, and a supporter of Ante Pavelić. He was arrested on Oct. 17 at Turin on suspicion of complicity in organizing the assassination, but it was subsequently announced that it had been decided to refuse the French request for his extradition.

⁴ Croat *émigré* living in Berlin; editor of *Croatia-Press* and *Nezavisna Hrvatska Država*. See vol. II of this Series.

ated and even promoted for political purposes the activities of these *émigrés* against the Yugoslav State.

Such utterly tendentious assertions are nothing but transparent manoeuvres to create a diversion and attempts to cause bad blood. The real facts of the matter are as follows:

The Croats have, of course, never received any financial support, whatever from German circles. On the contrary, the German Government have always complied to the greatest possible extent with all the Yugoslav Government's wishes in respect of the Croats.

1. As early as the beginning of 1934, at the request of the Yugoslav Government, the two *émigré* papers published here by Dr. Jelić and Dr. Pavelić, *Croatia-Press* and *Nezavisna Hrvatska Država* (The Independent Croat State), which constantly printed articles and comments hostile to Yugoslavia, were banned by instructions issued by the German State Police on January 25, 1934. The papers then transferred publication to Danzig. Thereupon the Foreign Ministry drew the attention of the Danzig Senate to these papers and, acting through the German authorities, prevented both papers from being admitted into Germany. In Danzig both papers ceased publication owing to financial difficulties as early as April or May. Since then the *Croatia-Press* has not appeared anywhere but the *Nezavisna Hrvatska Država* continues to appear in the United States. Dr. Jelić is also there.

2. When in the early months of this year the Yugoslav Legation asked for an enquiry to be made in connexion with the attempt, already planned in December 1933, on the life of King Alexander and also in connexion with some bomb outrages in Yugoslavia, a full police investigation was conducted forthwith. But no connexion could be established between the Croats here in Germany and the plots in question.⁵

3. The Yugoslav Government have never made any applications for the extradition or expulsion of Croat *émigrés*.⁶ Not until after the assassination had occurred did the Yugoslav Legation draw our attention to certain Croats and ask for enquiries to be made by the police, especially regarding the whereabouts of these persons at certain times.⁷

⁵ Documents on these topics and on the movements of Croats in Germany have been filmed on Serial 6065.

⁶ At this point the words: "Some 2,000 Croats are living in Germany" have been deleted before despatch.

⁷ In a *note verbale* of Oct. 10 (7827/E568190), the Yugoslav Legation had given the names of five Croat *émigrés* suspected of activities directed against the life of the King and against the State; the names were Dr. Mile Budak, Eugen Kvaternik, Josip Milković, Mladen Lorković and Dr. Branimir Jelić (the latter then in the USA). In a further *note verbale* dated Oct. 15 (7827/E568238), the Legation asked for enquiries to be made by the Prussian secret police as to the whereabouts of Kvaternik between Sept. 25 and Oct. 10; and in a further *note verbale*, dated Oct. 15 (7827/E568247), the Legation asked that enquiries should also be made as to the whereabouts of Stjepo Perić and Josip Milković between Sept. 26 and Oct. 10. The Foreign Ministry replied to these three *notes verbales* on Oct. 22, 1934 (7827/E568280-83), in the terms stated in the document here printed.

These requests were met in the most comprehensive way. The Secret State Police who, in constant consultation with the Foreign Ministry, followed up all the clues indicated, were only able to ascertain, however, that Dr. Pavelić had on several occasions stayed in Berlin for brief periods, that Dr. Jelić and Kvaternik—who, incidentally, has a sister here, married to a former naval officer—had already left Germany in May 1934, and that, on the other hand, Mile Budak and his wife did not leave Germany until October 5 or 6, the husband supposedly bound for England and the wife on her way to Hungary. Perić, who has been arrested in Belgium, was also here on a visit. There have been no results from the enquiries regarding the unknown woman mentioned in newspaper reports, with whom Kvaternik was supposed to have been seen in the South of France a few days before the assassination and about whom the Yugoslav Legation thought they could give more detailed information. The only others found to be in Berlin were a student by the name of Mladen Lorković, who had not apparently been engaged in politics, and a certain Slavko Cihlar. The latter was kept under arrest for the duration of the funeral ceremonies, for security reasons, but was afterwards released as there were no charges against him. Police enquiries regarding the origin of the weapons found on the murderer and on one of his accomplices have proved that these weapons were products of a German arms factory, but that they had been delivered to a firm in Trieste as far back as August 1932; it was possible to establish this clearly from the numbers on the firearms.

On the strength of this information you are requested to oppose in an appropriate manner any attacks that may be made at your end on Germany's attitude over the Croat *émigrés*.

By order:
KÖPKE

No. 269

2980/580563-64

Memorandum by the Foreign Minister

October 25, 1934.

RM 1203.

[II Ung. 772.]¹

The Hungarian Minister called on me today to inform me that he was going to Budapest within the next few days. The purport of his various questions centred on the fear that Herr Göring might have hatched, or at least initiated, treasonable plans against Hungary during his stay in Belgrade. I reassured M. de Masirevich, and refused to

¹ Taken from the working copy (9564/E673396-97).

answer some of his questions as they were so absurd that we could not be expected to reply to them. I told M. de Masirevich that I must at least ask him not to take us for complete idiots. Then everything else would follow as a matter of course. At any rate, he might tell Budapest, if it helped to ease their minds there, that nothing had been changed in our policy towards Hungary through General Göring's presence at the funeral ceremonies in Belgrade,² and that we were of the opinion that an improvement in German-Yugoslav relations could only be of the greatest advantage to Hungary.

M. de Masirevich then said that Rome was annoyed because Göring had been sent, whereupon I told him that after the way we had been reviled by the Italian press, with the approval of the Italian Government, during the past few weeks, we could not be expected to give special consideration to the feelings of the Italian Government. Moreover, Göring's visit had of course not been aimed at Italy in any way.

M. de Masirevich then enquired whether we were pleased about Gömbös' visit to Warsaw, to which I replied that we were glad that M. Gömbös had evidently been very well received there, and that relations between Warsaw and Budapest were good. However, we had not expected any great political results from this visit.³

In conclusion, M. de Masirevich complained about the tone of an article in the evening edition of *Die Börsen-Zeitung* of October 24, into which he had read indirect attacks on and accusations against Hungary.⁴ I told him he was imagining things, and I drew attention to the unexceptionable attitude of the German press during the anti-Hungarian campaign at the time of the assassination in Marseilles—which attitude, incidentally, he had himself acknowledged.⁵

V. N[EURATH]

² See document No. 263.

³ General Gömbös, the Hungarian Minister President, had paid an official visit to Warsaw Oct. 19–22. Reporting on the visit from Warsaw in despatch A 200 of Oct. 23 (9567/E673910–26), Schliep stated that it had taken place in a very cordial atmosphere, but that beyond the agreements for intensifying economic and cultural ties, he did not think it possible that the visit had produced any concrete political results. In Budapest despatch A 291 P 210 of Nov. 1 (9567/E673936–38), Schnurre reported a conversation with Gömbös on the Warsaw visit from which he had gathered that no concrete political discussions had been held about a German-Polish-Hungarian combination, with or without the inclusion of Austria and Italy, but that Gömbös was much occupied with such plans for the future.

⁴ In a memorandum of Oct. 26, 1934 (9564/E673395), Renthe-Fink recorded that Masirevich had telephoned him that morning in order to draw his attention to articles in *Die Börsen-Zeitung* and *Der Angriff*.

⁵ In an interview with Bülow on Oct. 19, recorded by the latter in a memorandum of even date (2980/580561–62).

No. 270

1574/381334

Memorandum by the State Secretary

BERLIN, October 25, 1934.

As the Führer and Chancellor is not likely to see the Russian Ambassador¹ again for some time after tomorrow's initial audience, I think it would be advisable if, when the speeches have been made, he were not only to touch upon personal subjects of conversation but also to make a brief statement on German-Russian relations, which would serve as a guiding principle for the Ambassador and for ourselves and would probably tide us over for a few weeks, perhaps even months. The Führer and Chancellor could, for instance, in my opinion, say the following:

It is generally believed in Soviet Russia that Germany intends to attack Russia or the [Baltic] Border States; nothing is further from our minds. German policy towards Russia aims at correct, if not friendly relations, while keeping foreign policy entirely separate from differences in domestic politics. Furthermore, he desires a revival (or an expansion) of German-Russian economic relations.²

BÜLOW

¹ Jakob Suritz.² No record of the interview between Hitler and Suritz has been found, but see document No. 271.

No. 271

4620/E200980-82

State Secretary Bülow to Ambassador Schulenburg

BERLIN, October 26, 1934.

Sent October 31.

DEAR COUNT SCHULENBURG: Many thanks for your kind and interesting letter of October 22.¹ I am very pleased about the welcome accorded you in Moscow; in the circumstances, we could not have expected more. Another bright spot is the way in which the Leningrad proceedings² have been handled. These two factors give grounds for some hope of a gradual relaxation of tension.

The welcome accorded to Suritz here was correct but not very warm. The reception by the Führer and Chancellor was held this morning. Never before was such an ambassadorial visit so short and finished so

¹ Document No. 265.² See document No. 233, footnote 1.

quickly. The speeches were cool,³ though the wording of our reply was made slightly more friendly by the Presidential Office. The conversation which took place immediately after presentation of the letter of credence was very brief and quite superficial. It was, of course, strange that all the personnel subsequently presented were Jews.

The Ambassador, whom I personally received very amiably, has so far held no political discussions and I assume that he will be wise enough not to rush matters. I gather from what he told me about Turkey's political rise that he is going to try once more to advocate the Baltic Pact and the Eastern Pact, or possibly only the latter.

He has also already touched upon the necessity of restoring confidence. As long as the Russians have these fantastic ideas about us, we must decline to remove such imaginary obstacles to an understanding. We should be embarking on an endless task, and completely losing touch with realistic policy. I would advise you too to take this line and, for instance, refuse to promise the Russians any kind of guarantees against imaginary dangers. We cannot officially correct wholly fantastic conclusions drawn from Göring's visit to Belgrade,⁴ since we should then immediately be obliged to allay fresh Russian anxieties and should, if only by constantly altering our intentions, of our own accord assume the role of the eternal mischief-maker. I will, however, try to keep you currently informed of what is going on, so as to enable you to dismiss any ridiculous rumours with unconcern, but with concrete data.

As we said when we discussed the matter, a good deal of patience is required in shaping our relations with Russia. That you do not lack this, I am well aware; but you will meet with great difficulty in trying to persuade your opposite numbers in Moscow to adopt the same attitude.

We find the clarity and objectivity of your reporting most agreeable, and we feel that our Embassy in Moscow is now in good hands. We are always most willing to do whatever we can to support you in your difficult task.

Yours etc.,

BÜLOW

³ The texts of the speeches by Hitler and Suritz were sent to the Embassy in Moscow on Oct. 27 (9454/667079; 082-085).

⁴ See document No. 263.

No. 272

L432/L124048

Senior Counsellor Roediger to Ambassador Hoesch

PERSONAL

BERLIN, October 26, 1934.

e.o. VI A 4632.

DEAR HERR VON HOESCH: As you will have seen from the British press, the ceremony before the Führer¹ set for yesterday has been

¹ On Oct. 25, 1934, the ceremony at which Reich Bishop Müller was that day to have

indefinitely postponed. All I can tell you today is that matters are still fluid but that, according to the latest impressions, there is some prospect of the Church dispute being favourably settled.²

Yours, etc.,

ROEDIGER

taken a personal oath of allegiance to Hitler in the presence of the assembled Evangelical Bishops was postponed indefinitely (see *The Times* of Oct. 26).

² Marginal note in an unidentified handwriting: "Written on the instructions of the Foreign Minister."

No. 273

2980/580565-66

Memorandum by the Foreign Minister

October 26, 1934.

RM 1207.

[II Ung. 777.]¹

The Hungarian Minister called on me today for the purpose, as he told me, of discussing, by the express order of M. Gömbös, the Hungarian Government's anxiety about Minister President Göring's visit to Belgrade and his activities there.² I told the Minister at once that I was surprised that the Hungarian Government should have felt obliged, despite all the explanations that had already been given them, to make this official and formal representation, and that I must emphatically reject this *démarche*. In addition, I referred him to the information I had given him yesterday.³

M. de Masirevich then went on to say that his Government were watching with anxiety the French Government's efforts to bring about an agreement between Paris, Rome and Belgrade. I replied that I had certainly noticed these efforts but, on the other hand, was unable as yet to see any result. For the present we would just have to wait and see. Lastly, he said that M. Gömbös wished to repeat his suggestion that we should nevertheless try to bring about an understanding over the Austrian question by means of a *démarche* in Rome.⁴ I asked what M. Gömbös meant by this. If he thought that we should perhaps join in the British-French-Italian Declaration of Geneva,⁵ I could inform

¹ Taken from the working copy (9564/E673398-99).

² See documents No. 263.

³ See document No. 269.

⁴ In a report, A 271 P 3 of Oct. 16, 1934 (9564/E673391-94), Mackensen had stated that Gömbös had made a proposal on these lines during the visit of the Reich Minister of Education, Rust, to Budapest. Rome telegram No. 241 of Oct. 22, 1934 (9564/E673387-89), reported that Kánya had made a similar suggestion to Hassell.

⁵ i.e., the Three Power Declaration on Austria of Sept. 27, 1934; see document No. 230, footnote 8.

him that we would not do so. We had no intention of giving Paris and Rome, by such a step, the opportunity of making us responsible for all the disturbances in Austria which, in my opinion, were the outcome of the confused political situation inside the country. Moreover, we, and also the Chancellor in particular, had repeatedly stated that we did not wish to violate Austria's independence. If this declaration was not sufficient for the interested Powers, there was nothing I could do to help them.

Finally, M. de Masirevich produced the attached No. 251 of *Der Angriff* of October 25, and drew attention to the leading article into which he again read attacks on Hungary. Finally he informed me that his Government intended to make representations in Belgrade with regard to the charge brought against the Hungarian Government, and against M. Gömbös and M. de Kánya in particular, that they were morally responsible for the murder of the King.

V. N[EURATH]

No. 274

7876/E570508-09

Minute by an Official of Department II

BERLIN, October 26, 1934.
e.o. II LV 1609.

Lieutenant-Colonel von Böckmann today informed me in confidence that it had been decided to set up, with the twenty-one infantry divisions already formed or being formed, so-called supplementary units (twenty-one infantry battalions, seven infantry batteries [*Infanterie-Batterien*], seven signals battalions and seven pioneer companies), whose only permanent personnel would be cadres (officers, non-commissioned officers etc.), and whose task it would be to give the vast number of at present untrained young people a short two-months course of military training. In this way there would be built up, to some extent, a kind of reserve army or militia alongside the real Reichswehr. The SA and SS people especially would be given a real military training through this new arrangement. Herr von Böckmann indicated that this decision had been taken at the special insistence of the Führer and Chancellor. To my question whether these formations would be in addition to the 300,000 men of the Reich Army, or whether they were included in this figure, Herr von Böckmann replied that the first was the case.

Submitted to the Foreign Minister via Ministerialdirektor Köpke and the State Secretary for their information.

FROHWEIN

No. 275

8115/E580886-87

Prussian Minister President Göring to Foreign Minister Neurath

BERLIN W 8, October 26, 1934.

Received October 29.

II Vat. 1213.

MY DEAR HERR VON NEURATH: In reply to your letter, II Vat. 1109, of September 29, 1934,¹ I should like to inform you that I have instructed the Secret State Police to allow one Church service every week. With regard to auricular confession, I shall have to wait for the views of the Secret State Police as I do not know whether special security reasons have led to this ban.

As regards the last paragraph of your letter, I certainly do not feel that an apology from the Secret State Police is required, for I see in their letter no insult but merely a statement that the Secret State Police have no means at their disposal for providing spiritual care and that, consequently, they cannot incur any costs, through giving permission for Church services, which they would later be unable to include in their budget. It is, therefore, a purely budgetary safeguard which is also customary in other cases. For this reason I must ask you to lodge a most vigorous protest with the Nuncio against his reading the last sentence of the letter from the State Police as derision of the Church. In my opinion the Nuncio should be pleased about the statement that the Churches are supranatural institutions of Divine Love and not take it as an insult. In any case, the question here concerns an agreement with organizations in Germany, that is to say, the German Catholic and the German Evangelical Church; I do not, therefore, consider it possible for me to take the same attitude here as in the case of representations from a foreign Power. This would prove, furthermore, that the Catholic Church apparently regards herself as being outside the German body politic [*Volkskörper*] after all. I too am entirely in favour of further reassurances but not at the expense of inopportune apologies.

Heil Hitler!

GÖRING²

¹ Document No. 225.

² Marginal notes: (i) "To the St[ate] S[ecretary] and the Dir[ector] of [Department] II. I also am of the opinion that there can be no question of an apology. v. N[eurath], Oct. 29." (ii) "The St[ate] S[ecretary] spoke to the Nuncio in the sense of this letter on Oct. 30 (see page 2 of the St[ate] S[ecretary's] memorandum, II Vat. 1225 [not printed, 8115/E580888-90]); the Nuncio has not referred to the matter again since then. To be filed for the time being. M[en]sh[ausen], Nov. 14."

No. 276

L434/L124758-60

Memorandum by an Official of the Reich Chancellery

IMMEDIATE

BERLIN, October 26, 1934.

Rk. 9577.

Subject: Questions concerning the Evangelical Church.

Yesterday evening (October 25) I had a visit from Dr. Kinder, Vice President of the Consistory at Kiel and leader of the religious movement known as the "German Christians", together with Herr Christiansen, Head of the Press Section in the Administration of the Reich National Church, who is also a member of the "German Christians".

Vice President Dr. Kinder informed me as follows: The situation in the Evangelical Church demanded urgently the immediate removal of Legal Administrator Dr. Jäger. If Dr. Jäger continued in office peace in the Evangelical Church would be quite impossible; on the contrary, an even greater exacerbation of the differences must be expected. He, Dr. Kinder, by no means opposed the aims, as such, pursued and achieved by Dr. Jäger; above all, he was certainly not against the removal from office of the *Land* Bishops Meiser and Wurm. Nevertheless, the way in which Jäger had acted, especially in the case of Dr. Wurm, the *Land* Bishop of Württemberg, was in his opinion quite insupportable. Dr. Jäger had first threatened *Land* Bishop Wurm with disclosure of financial irregularities and had told him he would refrain from such disclosure if Wurm would resign from his office voluntarily. Naturally, *Land* Bishop Wurm contemptuously declined to do so. In a number of instances Legal Administrator Jäger had been trying to achieve his aim simply by force, and with the help of the Gestapo, which he, Dr. Kinder, considered entirely undesirable.

The removal of Dr. Jäger would be an easy matter in that he had already completed the task for which he had been appointed, that is to say, the incorporation of the Evangelical *Land* Churches and the reorganization of the Reich Church.

I asked Dr. Kinder how he envisaged, above all, the future attitude of the Administration of the Reich Church and the "German Christians" towards the Confessional Synod. Dr. Kinder replied that he personally would easily find it possible to come to an agreement. With regard to the Confessional Church itself, in his opinion there were virtually no differences between the "German Christians" and the Confessional Synod. "German Christians" likewise recognized the Bible as the only foundation of the Faith and, just as the Lutherans, they attached more importance to the New Testament than to the Old Testament.

Nevertheless, the Old Testament was by no means to be discarded. The only difference between "German Christians" and the Confessional Synod lay in their attitude to the State. The "German Christians" believed firmly that the Church too must have a certain measure of live contact with the State. For this reason it was, for example, advisable that students of theology should also be employed in the Labour Service and later become members of the SA and SS. A section of the followers of the Confessional Synod were averse to this. A small section was probably also strongly opposed to the State of today. He, Dr. Kinder, at any rate, was quite prepared, in any possible negotiations for peace, not to dispute in any way the religious views as such of the followers of the Confessional Synod. Dr. Kinder quoted a figure of 600,000 registered members of the "German Christians" movement.

In reply to my further question as to whether a successor would be required in the event of Legal Administrator Jäger's resignation, and if so, who might be considered for this post, Dr. Kinder replied that it was desired in the widest circles that he himself should succeed Dr. Jäger. Like Jäger he too was a lawyer.

Finally Vice President Kinder said in reply to my question that he had already informed Reich Minister Frick of the situation. The Reich Bishop had naturally also been informed. Both also desired the immediate removal of Legal Administrator Dr. Jäger. Dr. Kinder urgently requested that the Führer and Chancellor should agree without delay to the immediate removal of Dr. Jäger.¹

Respectfully submitted herewith to the State Secretary.

In my opinion it would be advisable to ask the Minister of the Interior at once in writing for his views regarding Dr. Kinder's request, which has Pastor Christiansen's full support.

Perhaps a report by Reich Minister Dr. Frick to the Führer should also be considered.

WIENSTEIN ²

¹ On Oct. 26, 1934, a meeting of German Christian Bishops held in Berlin resolved that the management of affairs relating to Church politics should be taken out of the hands of Dr. Jäger and given to a Council of Bishops. On Oct. 30 Dr. Jäger resigned his office as Legal Administrator of the Reich Church and asked to be relieved of his post as Head of the Ecclesiastical Department of the Prussian Ministry of the Interior.

² This document is marked: "The Chancellor is informed. L[ammers], Oct. 30."

No. 277

7721/E549228-31

*Sir Frederick Leith-Ross to Reichsbank President Schacht*¹

BRITISH EMBASSY,
• BERLIN, October 27, 1934.
[zu] W 9622.²

DEAR DR. SCHACHT: As I have told you, my Government has had no desire to make a Clearing arrangement, believing that it would be injurious to the trade of both countries, and the object of my visit last month was to explore every possibility of meeting our requirements without a Clearing.³ Unfortunately at that time I found that on every point the German representatives were unable to give me any proposal to meet our requirements except within the framework of a Clearing. My Government accordingly sent me here to negotiate a Clearing arrangement, and it is very late for them now to reserve [*sic*: reverse] their decision.

I have, however, been in communication with my Ministers and I am authorized to state that they would be prepared to contemplate an alternative arrangement subject to the following conditions.

(a) My Government does not desire to press Germany to import more from the United Kingdom than she can pay for, but in recent months German export[s] to the United Kingdom have been maintained or increased so that the Reichsbank should have received ample sterling resources to cover the normal imports from the United Kingdom. In fact, however, the United Kingdom exports to Germany have not only decreased but they have not been paid for. If a Clearing is not to be adopted, my Government must have an assurance that not less than 55 per cent of the value of German exports to the United Kingdom as shown in the British statistics will be allocated for the payment of United Kingdom exports to Germany.⁴ Apart from this, my Government would require the same assurances as they have asked

¹ This document is in English in the original.

² The Journal number given to the covering letter of Oct. 27 (7721/E549227) under which the copy of Leith-Ross' letter here printed was sent by Schacht's office to State Secretary Bülow.

³ Leith-Ross had been in Berlin in September for discussions on methods of payment (see document No. 250, footnote 3). The second stage of the Anglo-German discussions had opened in Berlin on Oct. 12. The substance of these discussions is given in a memorandum by Ulrich of Nov. 6 (7721/E549259-81), according to which Schacht had asked Leith-Ross on Oct. 19 whether an understanding could not be reached without a clearing agreement, and had requested him on Oct. 26 to state in writing the conditions on which the British Government would abandon the idea of a clearing. The document here printed is the reply to this request.

⁴ Marginal note in Bülow's handwriting: "Possibly Ulrich—L[eith]-R[oss].". The words "shown in the British statistics" were underlined, evidently also by Bülow, with a marginal note in his handwriting: "New!"

for in the Clearing negotiations in regard to the maintenance of specific classes of United Kingdom exports, the re-export trade, Colonial trade, and payment of freights, insurances, etc.

(b) The possibility of abandoning a Clearing is entirely conditional on definite and satisfactory assurances for the liquidation of the frozen trade debts due to the United Kingdom. My Government understand that you propose to negotiate a credit with the object of paying off the whole, or as large as possible a part of these debts in cash and that you will use your best endeavour to conclude these negotiations as rapidly as possible. Such an arrangement would be satisfactory to my Government, but the negotiations will inevitably take a certain time and my Government must stipulate that an advance payment of not less than £400,000⁵ should be made by the Reichsbank forthwith on account of the credit operation. Further, as from the date of the agreement, a percentage allocation must be set aside out of the proceeds of German exports to the United Kingdom sufficient to liquidate by instalments within a period of twelve months any balance that cannot be discharged by means of the credit operation.

(c) The special question of the arrears under the Sondermark Agreement also has to be provided for. The Bank of England must, of course, continue to sell Sondermarks until the balances in the account and in the waiting list have been disposed of, and the Reichsbank should undertake to afford any reasonable facilities asked for by the Bank of England with a view to expediting the disposal of these balances. But there is only a limited market in London for these Sondermarks and in the absence of any other possibilities, their liquidation will have to be provided out of the 55 per cent allocation for United Kingdom exports, either as a first charge or by three monthly instalments. Either of these alternatives will of course affect payment of current trade and my Government would be glad to know if you see any other solution.

(d) My Government, as you know, cannot contemplate any suspension in the full transfer of the Dawes and Young Loans.⁶ This question was settled until the 31st December next by the Transfer Agreement concluded last July. If we are to avoid a Clearing, my Government will require to be assured that the full payment of all coupons of the Dawes and Young Loans belonging to British holders will be continued. As regards the non-Reich Loans, the bondholders last July agreed to a funding scheme in accordance with the Reichsbank proposal of last May, provided that there was no discrimination against them. They have since notified us that they regard the Swiss and Dutch arrangements as constituting such discrimination and that

⁵ Note in Bülow's handwriting: "5 Mln. RM." A marginal note here reads: "Bank of E[ngland]?"

⁶ Marginal note in Bülow's handwriting: "polit[ical] question of discrimination".

they reserve the right to ask for similar treatment. I cannot at the moment say what attitude the bondholders of the non-Reich Loans would take, but if it would help you, my Government would be prepared to use its influence with them to get them to accept a definite funding scheme for all coupons of the non-Reich Loans for a period of, say, 2 years as from 1st July 1934, without any provision as to non-discrimination, provided that the interest rate on these funding bonds was raised to 4 per cent, the other conditions remaining as before.

If you are in a position to inform me that the above conditions are acceptable to the German Government, my Government would authorize me to draw up an agreement with you on this basis which would be signed and brought into force as from 1st November next. Their hope is that such an agreement, if once adopted, would work to the satisfaction of both countries: but the usual provision would have to be inserted enabling either party to denounce it after, say, one month's notice. In that event, it would be in the interest of both countries that we should obviate the necessity of further protracted negotiations by putting into force the Clearing arrangement which we have been negotiating. Accordingly, my Government consider that the Clearing arrangement should be initialled and that it should be part of our agreement that it should be brought into force if the alternative now proposed proves unworkable.

I trust that these proposals will be acceptable to the German Government. I have had great trouble in persuading my Government to authorize them as it will be difficult, both from the political and from the administrative standpoint, now to cancel the arrangements made for a Clearing: and it can only be done if a favourable reply to this letter can be received not later than tomorrow. I hope that you will be in a position to give me such a reply.⁷

Yours sincerely,

F. W. LEITH-ROSS

⁷ See document No. 278, footnote 5.

No. 278

7721/E549232

Memorandum by the State Secretary

[BERLIN], October 27, 1934.
zu W 9622.¹

At Schacht's request a discussion was held with the Führer and Chancellor on Saturday evening² about the attached letter from

¹ See document No. 277, footnote 2.

² i.e., Oct. 27.

Leith-Ross,³ in which Reich Minister Count Schwerin and I also took part. Herr Schacht explained the import and purpose of the negotiations; the only point to be decided by the Führer and Chancellor was the promise regarding [the] Dawes and Young [Loans]. Herr von Krosigk recommended acceptance of the proposed solution. I merely drew attention to the dangers of discrimination against France before the Saar question had been settled. Herr Schacht said he was prepared to negotiate with France at any time and also to offer an extension of the present German-French agreement.⁴ The Führer and Chancellor approved the proposal by Leith-Ross.⁵

As I was leaving I drew Herr Schacht's attention to the dangers of paragraph (a) where the 55 per cent was to be calculated on British statistics.

BÜLOW

³ Document No. 277.

⁴ The German-French Payments Agreement of July 28, 1934 (see document No. 108, footnote 2), was due to expire on Dec. 31. On Nov. 30, 1934, it was renewed until Mar. 31, 1935; see *Reichsgesetzblatt*, 1934, Pt. II, p. 1402. Unpublished agreements on commercial questions and on the Dawes and Young Loans signed on the same day have been filmed as M9/M000300-18.

⁵ Schacht wrote to Leith-Ross on Oct. 27 (7721/E549288) accepting the proposals contained in Leith-Ross's letter. An Anglo-German Payments Agreement was signed in Berlin on Nov. 1, 1934; for the text see League of Nations: *Treaty Series*, vol. CLXIII, pp. 79-102. A clearing agreement (9635/E679627-55), to come into force if either Government denounced the new Payments Agreement, was also initialled on the same day.

No. 279

L434/L124761

Minute by an Official of the Reich Chancellery

IMMEDIATE

BERLIN, October 27, 1934.
zu Rk. 9577.¹

Subject: Legal Administrator Jäger.

Vice President Dr. Kinder has informed me by telephone that the transfer of Church functions from Legal Administrator Jäger to the Reich Bishop, as published in today's press (October 27), made no difference to his (Dr. Kinder's) wish for the complete removal of Ministerialdirektor Jäger. Only by his complete removal from the Administration of the Reich Church could peace gradually be brought to the Evangelical Church.

Respectfully submitted herewith to the State Secretary, further to yesterday's memorandum (October 26).¹

WIENSTEIN²

¹ Document No. 276.

² This document is marked: "The Chancellor is informed. L[ammers], Oct. 30."

No. 280

8025/E577711

The Minister in Ethiopia to the Foreign Ministry

Telegram

SECRET

ADDIS ABABA, October 28, 1934—11:55 a.m.

No. 16 of October 27

Received October 29—9:15 a.m.

III O 4031.

The Emperor wishes to send a confidential representative to Germany for the purpose of making purchases, mainly, if not exclusively, as His Majesty has intimated, of material for military purposes, probably including aircraft. The Emperor, who is aware of the difficulties, desires the prior agreement in principle of the Reich Government, but emphasized that he would not take a refusal amiss. If it is considered undesirable, I would recommend, nevertheless, a friendly evasive answer suggesting that the Emperor should inform me of his requirements, which I could put forward on my coming visit to Berlin.¹ The Ministry for Foreign Affairs here has not yet been consulted; the Emperor approached me direct.

SCHOEN

¹ In telegram No. 30 of Oct. 31 to Addis Ababa (8025/E577712) Schoen was instructed to act on the lines suggested.

No. 281

7467/H181402-05

The Chargé d'Affaires in France to the Foreign Ministry

Telegram

URGENT

PARIS, October 29, 1934.

No. 1359 of October 29

Received October 29—4:10 p.m.

II Abr. 2497.

With reference to your telegram No. 569.¹

I assess as follows the unconfirmed reports you have received regarding French intentions in the disarmament question, which represent only some of the often contradictory rumours also circulating here:

The French Government are exceedingly disturbed and annoyed by

¹ Of Oct. 27 (7477/H186815). This telegram, which was also sent to the Missions in Great Britain, Italy, the Soviet Union and Switzerland, stated that, according to unconfirmed reports, the French Government intended to raise the disarmament question at the November sessions of the League of Nations Council and Assembly, in order to take action against German rearmament. Furthermore there were rumours in Geneva that the French Government would use the alleged German treaty violation to forbid the return of the Saar to Germany.

A marginal note on this telegram states that this information came, in part, from Herr Schwarz (a German observer and intermediary in Geneva), who had spoken to Agnides (the official in charge of the Disarmament Section of the League of Nations Secretariat) and others. Herr Schaer, another German observer in Geneva, had reported similar information.

the apparently quite concrete and very detailed reports which have been persistently reaching them from all quarters regarding increases in German armaments affecting the Army, to a considerably lesser degree the Navy, but, in particular, very much the Luftwaffe. The French Government have an unpleasant feeling that they must not allow matters to continue as hitherto, but they are not at all clear as to how they should intervene.

Neither from the aspect of domestic policy nor of foreign policy do I regard the present situation as ripe for a forcible intervention (such as, e.g., by threats of an ultimatum or even by military measures). The growing economic crisis is affecting domestic politics with the result that every individual is much preoccupied with personal worries and that public opinion, particularly in the provinces, is at the present moment not sufficiently prepared for forcible action in foreign policy. Moreover, parliamentary difficulties (uncertainty and personal intrigues within the National Union,² differences with the Senate and impending amendments to the Constitution) are at present somewhat impeding the Government's ability to take action in foreign policy. Finally, the characters of almost all the leading Ministers in the Cabinet (Laval, Pétain, Pietri, Flandin, Herriot,³ and also the Minister President, who has certainly been very much influenced against Germany by his conservative friends but who is now aged and tired out), are incompatible with such an impetus for decisive action. The Government, who are thinking in terms of international support or at least benevolent neutrality, can hardly at present regard the international situation as having reached a stage sufficiently advanced to permit of proceeding against Germany by force of arms, especially in view of the repercussions of the Marseilles assassination.⁴

In my opinion, the situation might rapidly change should it come to sensational events (for instance, a publicly announced and emphasized departure from the disarmament provisions, any marked violations of the provisions on the Demilitarized Zone, acts of violence committed in the Saar Territory, or para-military aircraft formations crossing the French frontier). What the repercussions of such incidents might be cannot now be foreseen, since public opinion could easily be roused to fury, especially under influence from above.

As far as the Saar Territory, in particular, is concerned, I consider that it is at present not likely that there will be any threat of refusing to return the Saar or even of any military measures in preparation for such a threat. The policy of the *status quo* is not as popular in France as it appears to be. The fact that the so-called maintenance of the

² Presumably a reference to M. Doumergue's Government, which was a Government of National Union.

³ Respectively Ministers of Foreign Affairs, War, the Navy, Public Works and Minister of State without Portfolio in the reconstituted Doumergue Cabinet of Oct. 14.

⁴ See Editors' Note, p. 468.

status quo would actually be against France's interests, as it would damage German-French relations for years to come, is still widely recognized. I am reliably assured by a person in Laval's immediate entourage (this I report in strict confidence) that he too is basically inclined to the same view and that he would like the French, cautiously and without displaying any change of front, to conduct propaganda and the plebiscite in such a way as not completely to destroy all bridges towards providing for profitable Franco-German discussions about the Saar⁵ problem after the plebiscite. In any case even French supporters of the *status quo*, in so far as they do not look upon the Saar question merely from the point of view of prestige or of purely personal interests, are not opposed to the plebiscite. Their main motive is the hope that an unsatisfactory outcome of the plebiscite for Germany would be a blow to the Führer and the National Socialist régime; they cannot help but fear that should the plebiscite be prevented by force this would have the effect of rallying all those in any way pro-German in the Saar territory behind the Führer and thus give renewed strength to the régime.

Accordingly, should no such incidents as those referred to occur, then, at the November session of the Council and the League Assembly we must expect unedifying negotiations on the French Saar Memorandum,⁶ on the validity of the lists of voters and so on, and at worst possibly even a motion to postpone the plebiscite, but we need scarcely expect that France will speak of refusing to accept the return of the Saar Territory.

On the strength of reports I have so far received, I cannot adequately assess what action the French Republic propose to take over the problem of the increases in German armaments, which is a very difficult one for the French. I am inclined to think that no decision has yet been taken. It is quite possible that at the November session of the Council they may go over to a diplomatic attack; information to this effect has also reached me confidentially from a Hungarian source. As to how far such an attack might be pressed and what form it would take, and especially whether Litvinov or someone else would again be sent beforehand, I am not yet able to judge.

I shall continue to watch the matter and to report if necessary.⁷

FORSTER⁸

⁵ The text as received in the Foreign Ministry read "Russo-Japanese problem". This has been corrected in pencil on the copy here printed to read "Saar problem". On another copy (5669/H014819-22) it has been amended to "Disarmament? problem". The copy forwarded to the Reich Chancellery (see footnote 7 below) was not amended in any way. The Paris draft has not been found.

⁶ See document No. 206, footnote 1.

⁷ A copy of this telegram (1514/372287-90) was sent by Neurath to Lammers on Oct. 30, with a short covering letter requesting that it be submitted to Hitler. The covering letter (1514/372286) is marked "The Führer is informed. L[ammers], Oct. 31, 1934."

⁸ Copies of the telegram here printed (7467/H181406-07) were forwarded, with comments (see document No. 283), to the Reichswehr Ministry, the Reich Air Ministry,

No. 282

L432/L124053-54

The Ambassador in Great Britain to the Foreign Ministry

A 3793

LONDON, October 29, 1934.

Received October 30.

VI A 4720.

Subject: Letter from the Archbishop of Canterbury.

With reference to my telegrams No. 290 of October 16¹ and No. 293 of October 22.²

The Archbishop of Canterbury has sent me the attached letter of October 27, marked confidential and personal, in which he states his views on the developments of the past few days in the internal affairs of the German Church and informs me that he has suspended, for the present, any action by the Anglican clergy regarding the religious events in Germany.

In view of the fact that the letter is confidential and personal, I would ask you to treat it as secret.³

HOESCH

¹ Document No. 252.

² See document No. 252, footnote 9.

³ Marginal note: "Have the State Secretary and the Foreign Minister been informed of this despatch? D[ieckhoff]." [Initialled] "B[ülow], Nov. 7."

[Enclosure]

Copy

PERSONAL

LAMBETH PALACE, S.E.

CONFIDENTIAL

October 27, 1934.

YOUR EXCELLENCY: I must send a word to say that I have read with very great satisfaction the news which has appeared in *The Times* during the last two days of a welcome relief in the tension of the Church conflict in Germany. I am sure that the removal of Dr. Jäger⁴ will make a great difference, and I hope that the Chancellor may now take the matter into his own hands and be able to bring about more satisfactory methods of uniting the Protestant Church of Germany.

I have of course entirely suspended for the present any such action as that which I felt bound to mention to you.⁵

⁴ See document No. 276, footnote 1.

⁵ See document No. 252.

I am most grateful to you for the kindness and courtesy which you have shown to me in this matter.

Believe me to be,

Yours very sincerely,

COSMO CANTUAR

No. 283

7467/H181408-09

Senior Counsellor Frohwein to Counsellor of Embassy Forster

BERLIN, October 30, 1934.

zu II Abr. 2497¹ II.

DEAR HERR FORSTER: Before the courier leaves I would like to inform you briefly that your telegram No. 1359.¹ received here today, has been read with great interest and approval. I would like to tell you personally that the Foreign Minister at once passed it on to State Secretary Lammers with a few lines, to be reported to the Führer and Chancellor.² The assessment of the situation, as you give it, fully accords with our own views and it is gratefully appreciated here that you have furnished such an excellent and clear description of the situation.

I would like to make a brief remark on one point only: Your statements on the Saar question were perhaps influenced by an unclear phrase in our telegram No. 569.³ When forwarding your telegram to the Defence Departments as well as to the more important Missions⁴ we have therefore added the following:

“It should be stated in connexion with the statements in the telegram on the Saar question that, so far, no announcements are known to have been made by French official quarters from which it might be concluded that, if the outcome of the plebiscite appeared favourable to Germany, France would endeavour to obtain a postponement of the plebiscite or to prevent the reintegration of the Territory. Certainly, in Separatist and Marxist circles in the Saar, as well as in large sections of the French press, the demand for a postponement of the plebiscite has often been made of late, primarily on the grounds that the lists of voters were quite inadequate. These assertions are, however, completely without foundation; furthermore, the Plebiscite Commission has already contradicted them, so that this type of anti-German propaganda may now be taken to be without foundation.”

With kindest regards,

Yours etc.,

FROHWEIN

¹ Document No. 281.

² See document No. 281, footnote 7.

³ See document No. 281, footnote 1.

⁴ See document No. 281, footnote 8.

No. 284

2980/581415-16

Memorandum by the State Secretary

BERLIN, October 30, 1934.

[II Balk. 2567 R.]¹

The Rumanian Minister² told me today that Minister President Göring when calling on him recently had expressly stated, also in the name of the Führer and Chancellor, that Germany was not engaged in any revisionist policy, that we had no interest in Hungary's revisionist aims, and that the so-called revisionist policy was an Italian and not a German idea; we were in fact only concerned with achieving equality of rights; there were certainly some territorial questions which remained to be solved, but we would solve these with the Poles direct, and it was entirely wrong to continue to define the policy of the Third Reich as revisionist. This information was, the Minister said, of fundamental importance and immensely gratifying. It paved the way for a political *rapprochement* between Germany and Rumania,³ for Rumania was, after all, bound to oppose all efforts for revision because they jeopardized peace; therefore the precise definition of Germany's peace policy was of decisive importance. He had accordingly communicated Minister President Göring's comments to his Government.⁴ He wanted a renewed confirmation of these statements from me.

I told the Minister that his description of things was in a way a play upon words. If equality of rights were being demanded, then this was in itself a revisionist claim. I had already told him repeatedly that we were not interested in Hungary's actual revisionist aims and had never negotiated with her over the realization of these aims, nor had we any detailed knowledge of them. We were revisionists, even to this day, in the sense that we could not regard the 1919 treaties as unalterable and regarded as absurd the assertion made by Titulescu and others that revision was tantamount to war. The lessons of history showed that the reverse was true.

The Minister rejected my statements and particularly defended Titulescu whom he said we wrongly believed to be hostile to Germany and German aspirations. The opposite was the case. Moreover, he had heard that the Führer and Chancellor was, indeed, striving for a

¹ Taken from a copy in the secret files (6121/E456401-02).

² Nicolae Petrescu-Commnen.

³ The copy cited in footnote 1 above has a marginal note by Köpke at this point which reads: "And will estrange us from Hungary who will naturally learn of this conversation."

⁴ Marginal note by Köpke on the copy cited in footnote 1 above: "By telegram!!!"

revision of the non-territorial provisions of the peace treaties, but did not consider the territorial provisions as capable of revision precisely because a peaceful revision was not within the bounds of possibility.

I told the Minister that this information seemed to me to be most misleading, for even if it were quite true that we would never seek revision by resorting to warlike measures, nevertheless the idea of abandoning in principle our claims to territorial changes was very far from our minds.⁵

BÜLOW

⁵ A copy of the document here printed was sent by Köpke to Mackensen under cover of a letter of Nov. 1 (6121/E456403-04), asking him to make use of Bülow's arguments in the event of Comnen's report having come to the notice of the Hungarian Government and being raised in conversation.

No. 285

9697/E682834-37

The Ministry of Economics to the Foreign Ministry

II 50990

BERLIN, October 30, 1934.

Received November 1.

W 10123.

Subject: The German-Rumanian Chamber of Commerce clearing arrangement for trade [*Warenaustausch*] between Germany and Rumania.

The German-Rumanian Chamber of Commerce received approval from the Reich Office for Foreign Exchange Control, on June 5, 1934, for a clearing arrangement with Rumania for five million RM.¹

On June 15 the German-Rumanian Chamber of Commerce applied to have the compensation authorization raised to 25 million RM. This application was refused by the Reich Office for Foreign Exchange Control on June 22.

At the beginning of September the Aussenpolitisches Amt repeated the application to have the compensation authorization increased.²

¹ With a *note verbale* of Feb. 9, 1934 (9692/E681984-682004), the Rumanian Legation had forwarded a plan drawn up by the German-Rumanian Chamber of Commerce for a German-Rumanian clearing transaction for 25 million RM. In a *note verbale* of May 22, 1934 (9692/E682027-29), the Foreign Ministry reminded the Rumanian Legation that their Commercial Attaché had some time ago been informed of the reasons why the plan could not be implemented. By a letter of June 5 (9692/E682065-74), the Foreign Exchange Control Office forwarded to the Foreign Ministry copies of a fresh application by the German-Rumanian Chamber of Commerce involving a sum of 5 million RM, and its reply approving this transaction.

² In a memorandum of Aug. 23, 1934 (9697/E682820-21), Renthe-Fink recorded that Duckwitz of the Aussenpolitisches Amt had informed him the day before that the Aussenpolitisches Amt was supporting a request by the German-Rumanian Chamber of Commerce for a clearing transaction of 25 million RM, in order to make 6-700,000 RM available to Goga [Octavian Goga, leader of the Agrarian Party] for political purposes, Hess had submitted the matter to Hitler. In a letter of Sept. 24 (9697/E682818-19),

It was agreed at the meeting of the HPA [Handelspolitischer Ausschuss], on October 11,³ that the compensation framework should be extended from five to ten million RM, on the condition that, within the framework of the compensation deals, Rumania would, besides agricultural products, also supply an appropriate quantity of oil. Further, the reservation was made that the compensation deal arranged by the German-Rumanian Chamber of Commerce should be included within the proposals for increased reciprocal commodity compensation which the Rumanian Minister of Trade had proposed when he was in Berlin.⁴

Meanwhile, in consultation with the Reich Ministry of Food, the representative of the Aussenpolitisches Amt has more precisely specified the commodities to be included within the compensation framework (only agricultural products are involved). The value of these goods amounts to a round 15 million RM. The Reich Ministry of Food has no objection to their inclusion, subject to further scrutiny by the competent supervisory offices. It seems doubtful, however, whether Rumania will be able to supply such large quantities.

In an oral discussion here, Herr Duckwitz of the Aussenpolitisches Amt explained that he would do all in his power to induce the Rumanians to supply an appropriate quantity of oil within the compensation framework. But it is still not clear how far his endeavours will be successful. At all events, he asked that approval of the transactions be not specifically tied to the condition about supplying oil.

Herr Duckwitz added that in a conversation with the Head of the Aussenpolitisches Amt, Herr A. Rosenberg, and with President Schacht a few months ago, Minister Hess, the Führer's Deputy, had stated, with the Führer's express endorsement, that the compensation deal in question was to be encouraged.

Even though there are serious objections in principle to the authorization of such wide overall compensation arrangements ((1) the completion of the innumerable separate deals must perforce take some considerable time, thus limiting both the Foreign Exchange Office's

the Ministry of Economics asked the Foreign Ministry whether the political considerations involved in this deal were important enough to justify overriding the economic difficulties which the proposed transaction involved. In a letter of Oct. 8 (9697/E682831), the Foreign Ministry informed the Ministry of Economics that the political considerations involved were not decisive, but that it saw no objection to giving the German-Rumanian Chamber of Commerce an opportunity of increasing trade between the two countries. A minute by Busse of Sept. 27 (9697/E682829), records that Duckwitz was similarly informed on Sept. 21.

³ A memorandum on the meeting by Ulrich, dated Oct. 12, is not printed (5650/H003954).

⁴ In despatch II Balk. 2243 of Oct. 10 (M3/M000053-58), Clodius informed the Legation in Bucharest that the former Under-Secretary at the Rumanian Ministry of Agriculture [he had become Minister of Commerce and Industry on Oct. 2] had paid three visits to Berlin since May, the last late in September. M. Manolescu-Strunga had given the impression that he wished to expand German-Rumanian trade, but his various suggestions were not sufficiently concrete to make it possible to reach binding agreements.

ability to oversee the general position in dealing with other applications for compensation authorizations and the Government's freedom of action in any possible negotiations on economic policy; (2) the other party under so comprehensive a compensation authorization is placed in a favoured position *vis-à-vis* other interested groups), nevertheless, in view of the special interest which the Aussenpolitisches Amt has in this deal, and also in order to exploit every possibility of intensifying German-Rumanian trade, raising the amount authorized by 10 million RM to a total of 15 million RM might well be approved.

The Rumanian Minister here admittedly expressed himself as opposed to this transaction when he called on President Schacht recently.⁴ This attitude on the part of the Minister need not, however, cause us to reject the application. The Rumanian Government are, after all, in a position themselves to refuse the requisite authority for the deal.

In the meantime our authorization should be made contingent on the following conditions:

1. that no more unfavourable exchange of goods than a ratio of 5:4 for Rumania be considered (in the new compensation regulations Rumania has laid down an exchange ratio of 5:3 in her own favour);

2. that the imports of the Rumanian goods offered in exchange should not be at market prices higher than those prevailing in the world market;

3. that the Aussenpolitisches Amt and the German-Rumanian Chamber of Commerce should make every effort to obtain, besides agricultural products, an appropriate quantity of oil (approximately one-fourth to one-fifth of the total compensation amount);

4. and that the smaller German exporters should also be suitably taken into consideration when this exchange of goods is being put through.

Further it would be as well to make a reservation to the effect that the compensation transaction can be included within the framework of the proposals for an increased reciprocal exchange of goods which the Rumanian Minister of Trade announced during his visit to Berlin, and that special conditions can be made in such an event.

I should be grateful if the decision of the HPA could be obtained. The matter is extremely urgent since the importation of Rumanian agricultural products is to begin in the very near future.

It is requested that Reichsbank Director Puhl be called in by the HPA.

By order:
SARNOW

No. 286

7960/E574821-26

Ambassador Bergen to Ministerialdirektor Köpke

CONFIDENTIAL

ROME, October 31, 1934.

Received November 7.

II SG.7332.

DEAR HERR KÖPKE: The Saar question, with which your last kind letter¹ deals, has for a long time been for us a cause for serious and, unfortunately, growing anxiety as well as for constant, more or less urgent, explanations and representations at the Vatican. I may say that it is solely owing to our continual efforts that the Vatican has so far not yielded to pressure from our adversaries to divest the two competent Bishops² temporarily of their jurisdiction and transfer this to a Papal Commissioner, as was the case in Upper Silesia.

Moreover, the gist of the thesis of the Reich Chancellor's Saar Plenipotentiary, Gauleiter Bürckel, has already been put forward previously, together with the argument that the Saar Territory is entirely German, that it has for centuries belonged to Germany and that naturally I consider it my duty to stand up for my ancestral Fatherland. The same arguments have recently been reiterated in detail and with emphasis during lengthy conversations.

From the various confidential conversations which Mgr. Steinmann³ and I have had in the Papal Secretariat during the last few weeks, the following transpired:

(1) The Curia insists that the Saar Territory is German land belonging to Germany. It feels therefore that, *in itself*, it is not only natural and legitimate but even obligatory for the outcome of the plebiscite to be in favour of Germany.

(2) The Curia adopts an attitude of the most absolute neutrality. There is no doubt that it has instructed its delegate⁴ along these lines, although it quite naturally does not mention any instructions and charges its envoy only with tasks of a purely observational nature.

(3) Likewise, I think it may be assumed that the Vatican itself has not imposed a ban on speeches by the clergy in the Saar.

On (1). With regard to the words "in itself" which were most particularly emphasized, the explanation given during one of the con-

¹ Of Oct. 23; see document No. 255, footnote 4.

² i.e., the Bishops of Trier and Speyer.

³ Mgr. J. Steinmann, Apostolic Protonotary, ecclesiastical adviser in the German Embassy to the Holy See.

⁴ Mgr. Giovanni Panico had arrived in Saarbrücken on Sept. 11, 1934, as envoy extraordinary and direct representative of the Holy Father in the Saar in succession to Mgr. Testa.

versations was that it was a matter of conscience for each individual and that it must therefore be left to every individual whether he should vote for Germany, *as long as the present ecclesiastical tension and difficulties prevailed*. Only a year ago a vote of almost 100 per cent for Germany might have been expected; now, after the enactment of various laws conflicting with the Catholic conscience, after the fight against the Catholic organizations, after the efforts to assimilate the Christian confessions, after the unbridled propaganda against Christianity in general etc., all of which still continued, the Catholics in the Saar had become thoughtful and doubtful, although they still wished to be reunited with Germany. As has been stated in *strict confidence*, it is evidently owing to this attitude that, according to the latest reports reaching the Vatican from Saar circles, it had been suggested to the League of Nations that a period should be determined after the lapse of which the Saar, should the result of January 13 of next year be for the *status quo*, might vote again on the subject of reintegration with Germany.

On (2). In adopting an attitude of the most absolute neutrality, the Curia is obviously allowing itself to be guided by its earlier experiences in Upper Silesia. It was particularly emphasized that if the Curia were to take even the smallest measure which could be understood or construed as being one-sidedly in Germany's favour, France, who is very much interested, would come forward with counter-claims and again ask for the establishment of a special ecclesiastical jurisdiction for the Saar Territory.

On (3). Whether the Papal Delegate had, on his own authority, imposed a ban on speeches by the clergy in the Saar was not known in the Papal Secretariat. It was admitted that this was possible, since the office of the Vicar General in Trier had referred to instructions from Rome (i.e., the Papal Delegate). From this I gained the impression that if, in fact, Mgr. Panico has really suggested such a ban on speech to the Bishops, or imposed it, he would not be reproached with having gone beyond the instructions he received. Special reference was made in this connexion to the ban on speech which Cardinal Bertram had imposed at the time of the plebiscite campaign in Upper Silesia; this was the only means of ensuring that the pastoral work did not suffer during this critical period. In reply to my objection that such a ban on speech was perhaps understandable in the case of priests making appearances at public meetings and in parishes other than their own—possibly without the consent of the competent priest—but not where it was purely a question of carrying out pastoral work in the churches and religious societies as a consequence of which the priest would *also*, by virtue of his spiritual office, have to discuss the moral duty of patriotism, this was admitted to be so but with the comment that it was a matter for the competent Bishop to decide. In any case, it seemed

curious to place great emphasis on the duty of patriotism *only*, while trying to prevent other subjects, which the Catholic conscience felt to be inadmissible and which profoundly affected the mind of the nation, from being preached about.

Mgr. Steinmann and I have also raised the matter of the attitude adopted by the *Neue Saar-Post*,⁵ have substantiated its mendacity by various, indeed in part cleverly written articles and have drawn attention to the expediency of *démentis* being issued by the Vatican. We found that there was no readiness to do the latter. If the Curia were to correct all the wrong reports which the press published about it or in connexion with it, it would have to deal with nothing else but *démentis*; as a rule a *démenti* was issued only if it was a question of quite excessive imputations or if the propagator of incorrect or inaccurate reports had the courage to put his name to them. In the case of particular statements in the *Neue Saar-Post* which quoted a Church dignitary in Rome or in the Curia, the German Government were quite free for their part to deny these reports and to go on having them declared unreliable until the "Church dignitary" concerned had found courage to publish his name and evidence of the correctness of his statements. Even though a change in the Vatican's attitude is not to be expected, I shall use the promised material, for which I shall be grateful, repeatedly to draw the Curia's attention to the underhand methods adopted by the other side.⁶

Yours etc.,

BERGEN

⁵ The *Neue Saar-Post* was a Catholic daily paper opposed to National Socialism and under the editorship of Johannes Hoffmann, the first issue of which appeared on May 6, 1934. Material relating to this newspaper has been filmed on M28/M000921-30.

⁶ Marginal note: "Geheimrat Voigt has discussed this with Herr Bürekel. St[rohm], Nov. 6."

No. 287

7456/H176105/1-06

*Circular of the Office of the Chief of the Naval Command*¹

SECRET

B No. M I 1813

BERLIN, October 31, 1934.

Received November 3.

II Abr. 2533.

The following directive on the attitude of the German Navy to the 1935 Naval Conference has been issued by the Chief of the Naval Command for the use of officers and others who have official contacts with foreigners.

¹ Six copies were circulated, of which No. 1 was addressed to the Foreign Ministry for the attention of Frohwein, head of the division for military and aviation questions in Department II, or his deputy, and the remainder went to departments of the Naval Command.

1) *General*

a) Germany would only accept an invitation to the Naval Conference if the equality of rights theoretically granted in the "Five Power Declaration of December 11, 1932"² were put into effect.³

b) It is not intended to take any steps to get Germany invited to the Naval Conference.

c) In the event of the retention of the old ratio of 5:5:3:1.75:1.75⁴ or of the establishment of a new one, the question of the figure for Germany must remain open for the time being.

It is intended to expand the German fleet within the framework required for national defence and trade protection only; nevertheless the German ratio figure must of course take into account her geographical position between France, and Russia with her growing fleet, who are allies.⁵

It may also be indicated that, by her ratio figure, Germany will make it clear that there is no thought of a clash with Britain.

d) Decisions on measures to be taken should Germany not be invited to the Naval Conference are reserved.

e) Should the Conference fail, special agreements with individual States are conceivable.

2) *Particulars*

a) Germany wishes the standard ships [*Standardschiffe*] to be as small as possible, but will base her future ships on the standard sizes to be fixed at the 1935 Conference.

b) Germany would agree to a proposal to abolish submarines, and to

c) other limitations, if these were likewise accepted by the other naval Powers.⁶

By order:

BÜRKNER⁷

² See vol. I of this Series, Editors' Note, p. 19.

³ Marginal note: "In my view that must be taken absolutely for granted and not specially demanded. F[rohwein]."

⁴ Marginal note: "Applies only to 'battleships'. Whether any 'ratio figures' are going to be fixed at all is uncertain. F[rohwein]."

⁵ Marginal note: "In my view our quantitative demands should at present be discussed only in quite general terms; they entirely depend on the tonnage figures received by the other naval Powers in which we are interested, and so on. F[rohwein]."

⁶ A covering note by Frohwein of Nov. 4 (7456/H176105) addressed to the State Secretary via Köpke reads: "The instructions could, in my view, have been drafted somewhat better in some places. As, however, they are in general correct, I do not think any further comment is called for."

⁷ Lt. Commander Bürkner, senior officer on the staff of the Chief of the Naval Command.

No. 288

8805/E583103

The Chargé d'Affaires in Japan to the Foreign Ministry

Telegram

No. 128 of November 1

Tokyo, November 1, 1934—5 a.m.

Received November 1—12:10 p.m.

IV Ja. 1267.

With reference to your telegram No. 93.¹

The Japanese General Staff informed Ott after his return from Manchukuo that it welcomed in principle the readiness of the Nanking Mission to establish contact. As, however, an official request from the Japanese for their Military Attaché to be received by Herr von Seeckt is at present undesirable, probably for reasons of prestige, the Japanese Assistant Attaché in Nanking will himself endeavour to arrange to be received by General Falkenhaus[en]² with the approval of Chiang Kai-shek.³

NOEBEL

¹ See document No. 168, footnote 3.

² Military adviser to the Chinese Government 1934-1938.

³ In telegram No. 78 of Nov. 7 (6691/H098353) Meyer repeated to Peking the text of the document here printed and asked that Seeckt and Falkenhausen be informed.

No. 289

7467/H181420-23

The Ambassador in Great Britain to the Foreign Ministry

Telegram

No. 296 of November 1

LONDON, November 1, 1934—10:17 p.m.

Received November 2—2:40 a.m.

II Abr. 2537.

For the Foreign Minister and State Secretary only.

I had heard from a friend of MacDonald's that the Prime Minister wished again to resume the personal contacts with me which had been interrupted by his long absence,¹ and that he was much occupied with the problem of how the unrest in the world, which finds expression in general rearmament, could be allayed, and how the mistrust, which has been aroused in Great Britain as elsewhere by alleged German air rearmament, could be dispelled.

I therefore made an appointment to call upon MacDonald, and had a long discussion with him. At the request of MacDonald, who looks

¹ MacDonald had returned to London after three months' holiday on Oct. 4, 1934.

quite well again, we agreed that our conversation would be in the nature of a purely private and friendly exchange of views.

The Prime Minister began by saying that since our last meeting in the summer,² just before his departure, the atmosphere here as regards Germany had become less tense, which was to no small extent due to the successful course of the Anglo-German economic and financial negotiations.³ He then complained that Germany, by her withdrawal from the League of Nations, had ceased to participate in international cooperation, thus making this cooperation much more difficult. He still hoped that Germany would find her way back to the League of Nations. From this there arose a discussion along the usual lines, in which I repeatedly emphasized that we had been driven out of the League of Nations because we were denied the equality of rights which had been promised us.

The Prime Minister then said that if the Reich Chancellor's purpose was to build Germany up internally into a self-reliant and contented State, then he was with him. But the large scale development of the German air fleet, concerning which the Governments of all the important Powers possessed most disturbing statistics, was not a part of this purpose. Especially as concerned Britain he was, he said, thinking of the precedent whereby German naval expansion had finally led to Anglo-German enmity and to war between them; he greatly feared that a similar antagonism might also develop in the air. There could, of course, be no question of Britain embarking on special negotiations on armaments with Germany, as this would entail her falling out with other Great Powers, whilst not improving the general situation. He was therefore constantly looking for a chance of international understanding, for which, again, the League of Nations was the only existing forum. I replied that the Reich Government regretted that the comprehensive agreement between Germany and Britain which had been envisaged during the past winter and spring⁴ had receded so far into the background as a result of France's conduct.⁵ For us the idea of a possible Anglo-German conflict simply did not exist. We did not wish, where armaments were concerned, to compete with Britain either at sea or in the air. Both the Reich Chancellor and Minister President Göring had made statements to this effect in several public speeches, and had even expressed their satisfaction at British rearmament measures in the air. I was convinced that, in frank discussion with the British Government, the Reich Government would be happy to

² See document No. 28.

³ An Anglo-German Payments Agreement was signed on Nov. 1, 1934; see documents No. 277 and No. 278, with footnote 5 thereto.

⁴ See vol. II of this Series, *passim*; see also the British Memorandum of Jan. 29, published in British White Paper, Cmd. 4512 of 1934, No. 4.

⁵ Presumably a reference to the French Memoranda of Feb. 14, Mar. 17, and Apr. 17, 1934 (for the texts of which see British White Paper, Cmd. 4559 of 1934, Nos. 1, 4 and 8), and to the Eastern Pact proposals (see documents Nos. 85 and 86).

give assurances that the preparatory measures for building up defensive armaments, which were at present being carried out in Germany, were in no way intended to surpass British armaments at sea or in the air. The German Government would be delighted if, by means of such discussion, the quite unfounded mistrust of Germany as expressed, for instance, in Baldwin's well-known remarks, could be dispelled. MacDonald listened with great interest to these observations, which I described as purely personal and made on my own initiative. He emphasized once more, however, that there could be no question of Anglo-German agreements without the participation of the other Powers, but he requested my permission, which I gave him, to discuss this idea quite informally with his fellow Ministers.

I believe that in this way the idea of an Anglo-German exchange of views has been brought up for discussion in an entirely non-binding, but possibly useful manner, although I do not think that any really tangible results can ensue.

HOESCH

No. 290

2406/510871-72

Memorandum by the State Secretary

BERLIN, November 1, 1934.

[e.o. II SG.7205.]¹

The French Ambassador rang me up at 10:30 last night (Wednesday) and said a regrettable frontier incident had occurred near Bitsch. A few French dragoons had ridden a few hundred metres across the frontier by mistake. As soon as a farm labourer had pointed out to them that they were on German soil, they had gone back at once. The incident was quite unintentional and most regrettable; the non-commissioned officer would be punished. The Ambassador further emphasized that this incident was in no way connected with the alleged movements of French troops which were at present being discussed in the press.² He asked us to quieten our press so as to avoid unnecessary agitation.

I told the Ambassador that the incident was certainly regrettable but that I would try to keep our public opinion calm. In any case, the incident was, in seriousness and importance, in no way to be compared with the extremely surprising decisions of the French Government on holding troops in readiness for the Saar, of which we had

¹ Taken from another copy (7828/E568604-05).

² *Le Matin* of Oct. 31 reported that the 6th and 20th French Corps had taken the necessary preliminary measures to counter any attempted National Socialist coup in the Saar (7828/E568599).

received knowledge through the press.³ A heated conversation of some length ensued in which the Ambassador repeatedly emphasized that his Government had no intention whatever of violating the Treaty or of taking independent action. French troops would be used only on the basis of a proper resolution by the League of Nations Council. I, for my part, pointed out that there was no Treaty article or Council resolution under which the use of French troops in the Saar could be justified and that the agitation in our press, to which the Ambassador had objected, was only too understandable in view of the memory of the occupation of the Ruhr; furthermore, that the press would probably be even more hostile now, since the *démenti* which we had definitely expected from the French Government had not so far been issued. The Ambassador assured me on this last point that an announcement on the true state of affairs would be made through Havas during the night⁴ and would certainly give us full satisfaction (which I doubted).

Finally, the Ambassador told me that he had reported on the visit which Ambassador Köster⁵ had paid him a few days ago to Laval, who had informed him that he was looking forward to seeing the Ambassador soon. He asked me to inform Herr Köster of this. I have sent him a brief telegram to this effect.⁶

I also rang up Herr Geheimrat Aschmann⁷ last night and asked him to see that the incident at Bitsch was not magnified. It would be too easy for the French to take the wind out of our sails by giving reassurances and punishing the non-commissioned officer who had commanded the patrol and so to curb our agitation against the troops destined for the Saar.

BÜLOW

³ In a memorandum of Oct. 31 on a conversation with Lt. Col. von Böckmann (7828/E568602-03) Frohwein recorded that the Reichswehr Ministry had no information of any concentrations or other moves suggesting that French military action against the Saar was imminent.

⁴ A statement by the Havas news agency on the French position with regard to this subject was issued on Oct. 31 (7828/E568600).

⁵ No record of this visit has been found.

⁶ Telegram No. 575 of Oct. 31 (not printed, 5669/H014836).

⁷ Head of the Press Department.

No. 291

2784/540342

Memorandum by the Foreign Minister

BERLIN, November 2, 1934.

RM 1233.

The Italian Ambassador called on me this morning on his return from leave. After a few introductory remarks he referred at once to Minister President Göring's statements regarding Germany's attitude

to the question of treaty revision.¹ He asked me whether German policy had altered. I made it clear to the Ambassador that Herr Göring had merely referred to the realization of revisionist aims by means of force. It went without saying that we would not abandon our claims for a revision of the Treaty of Versailles. This point of view had also always been championed by the Reich Chancellor *vis-à-vis* Poland.

It was clear from the Ambassador's remarks that he had been informed by M. Comnen of the latter's conversation with Minister President Göring.²

V. N[EURATH]

¹ See document No. 292.

² See document No. 284.

No. 292

6121/E456405-06

Memorandum by the Deputy Director of Department II

BERLIN, November 2, 1934.

II Balk. 2617 R.

On his return from Rome the Italian Ambassador told one of his friends in confidence that Reich Minister Göring had made some very important political statements in Belgrade on Germany's attitude, specially in his conversations with King Carol. These statements, which were reported by Signor Cerruti, coincide with the statements by Reich Minister Göring of which the Rumanian Minister here informed the State Secretary recently (see his memorandum of October 30).¹ Cerruti sees in the statements, which according to his information Reich Minister Göring made in Belgrade, an attempt by Germany to cut off the Little Entente from France and—as with Poland—to draw it into the German orbit.²

We must take it as being absolutely certain that not only Italy, but also Hungary and France have been informed in this sense.

In view of the impending conversations between Mussolini and Gömbös,³ and between our Ambassador in Paris and Laval,⁴ should the Embassies in Rome and Paris be instructed?⁵ So far the State Secretary's memorandum on his conversation with the Rumanian Minister has only been sent to Budapest for their information.⁶

RENTHE-FINK⁷

¹ Document No. 284.

² Document No. 291.

³ See document No. 310.

⁴ See document No. 307.

⁵ Marginal note in Neurath's handwriting: "Yes." The two Embassies were informed by telegrams No. 311 to Rome and No. 583 to Paris of Nov. 3 (6121/E456410-11).

⁶ See document No. 284, footnote 5.

⁷ Marginal note: "The R[reich] C[hancellor] commented to this effect: He had never renounced revision of the Ver[sailles] Treaty, not even to the Poles. v. N[eurath], Nov. 3."

No. 293

M64/M001787

The Reichswehr Ministry to the Foreign Ministry

N.2281/34 geh. Ausl. I.

BERLIN, November 2, 1934.

II M 1673.

For the attention of Senior Counsellor Frohwein.

The Reichswehr Ministry has the honour to transmit the enclosed memorandum of a discussion.

By order:
v. BÖCKMANN

5573/E399895-99

[Enclosure]

MEETING OF THE MILITARY ATTACHÉS IN THE FOREIGN DEPARTMENT
ON OCTOBER 30, 1934

Wehrmachtsamt
2281/54 geh. Ausl. I.

BERLIN, October 31, 1934.

The Head of the Foreign Department first of all outlined the views prevailing here about the international situation.¹ This was generally agreed.

Points worthy of note brought up by the Military Attachés were:

1. *General:*

All the Military Attachés agreed in saying that it was particularly important to avoid all carelessness in foreign affairs. It was undesirable to have trips abroad by confidants who were *personae non gratae* (foreign exchange restrictions). Abroad, special confidence was placed in the German Wehrmacht and in the Reich Minister of Economics, Schacht.

2. *General Kühlenthal:*²

Did not believe that there would be a French preventive war against our rearmament. He did not consider that at the moment there was a danger of an advance into the Saar, but the situation could change

¹ Under cover of a letter of Oct. 25 (M64/M001770) Böckmann sent Frohwein the draft of a lecture (M64/M001771-84) on the political situation, which he had been instructed to deliver to the Military Attachés, and asked whether alterations were necessary. This draft contains a number of pencil alterations, evidently made in the Foreign Ministry. A minute by Frohwein of Oct. 25 (M64/M001785) stated that the Foreign Ministry could take no responsibility for the lecture and suggested that Böckmann's attention be drawn informally to a number of points. In a subsequent minute (M64/M001786) Frohwein recorded that the draft had been discussed with the State Secretary in the presence of Köpke, Dieckhoff and Meyer and that Böckmann had been informed orally of the Foreign Ministry's views by Köpke, Meyer and himself, and had received proposals for alterations from Dieckhoff.

² Lt. Gen. E. Kühlenthal, German Military Attaché in Paris.

rapidly. As far as French domestic policy was concerned, he did not think that the question of reforming the State³ would produce serious crises in France. He did not think that the French associations of ex-servicemen were of much importance. He did not consider it desirable to make contact with them.

3. General Fischer:⁴

Italy had two irons in the fire (France and Germany). A gradual improvement in Italian relations with Germany might be expected if Germany did nothing incautious.

Italy would take no action against German rearmament; indeed, she had an interest in our becoming strong again.

He considered it impossible for there to be an alliance between France, Italy and Yugoslavia as the opposition of interests in the Mediterranean was too great.

Relations between Yugoslavia and Italy had deteriorated as a result of the Marseilles assassination.⁵ If Germany were to maintain reserve, Italy would make advances to Germany of her own accord.

4. General Muff:⁶

The Red Defence League [*Roter Schutzbund*]⁷ in Austria was again growing in strength. Therefore it was not impossible that there would be fresh disturbances in the spring.

National Socialism was without leadership and had become in part very much tinged with radicalism.

The Government's position was precarious (antagonism between Schuschnigg and Starhemberg).

Agreement between the Heimwehr and the Ostmärkische Sturm-scharen⁸ was unlikely.

Papen's position very weak.

General Muff considered that it was necessary for Germany to exercise a certain influence on National Socialist circles since otherwise there was a danger that Austria would be entirely lost to us (General Fischer took the opposite view).

General Muff also considered it desirable and expedient to discuss a settlement of the Austrian question with Italy. (General Fischer was very much against this. He considered that we ought not to run after Italy but should let her approach us of her own accord.)

³ M. Doumergue, the French Prime Minister, had propounded his programme of constitutional and administrative reform in a broadcast address to the nation on Sept. 24, 1934. In a further broadcast of Oct. 4 he gave details of the methods by which he proposed to carry out the principles of the reform.

⁴ Major-Gen. H. Fischer, German Military Attaché in Rome and Budapest.

⁵ See Editors' Note, p. 468.

⁶ Lt. Gen. W. Muff, German Military Attaché in Vienna, Berne and Sofia.

⁷ This was the Republican Defence League [*Republikanischer Schutzbund*], which was dissolved in March 1933.

⁸ Para-military formations sponsored by Schuschnigg in opposition to the Heimwehr under Starhemberg.

An improvement in Austrian affairs could only be expected when the Heimwehr had played itself out.

5. *Colonel von Falkenhorst*:⁹

(a) *Czechoslovakia*: strongly anti-German. Not capable of waging an offensive war. Foreign Minister Beneš was very influential and active. He aspired to become President.

(b) *Yugoslavia*, as a result of the assassination of the King,⁵ was in a state of crisis, the position of the Council of Regency was weak. Yugoslavia therefore needed the support of a world Power which could only be France. She had close and good commercial relations with Germany.

(c) *Rumania*: had two fronts:

one with her ally Poland against Russia,

the second with the Little Entente against Hungary. As a result, there were hesitations in her deployment plans (Bessarabia/Transylvania).

(d) *Little Entente*: Although not united in all political questions, the Entente was nevertheless in full agreement in its attitude of hostility towards Hungary.

6. *Colonel Freiherr von Geyr*:¹⁰

In considering a possible war, Britain was reckoning with three opponents:

(i) Germany,

(ii) Russia,

(iii) Japan.

A war with France was in no circumstances to be expected.

Her main interest: the maintenance of peace.

It was above all in Europe that possibilities of conflicts existed. In the Far East, Japan was most likely to be a disturber of the peace. Therefore a temporary *rapprochement* between Britain and Japan was possible for the sake of peace in the Far East.

The British General Staff firmly believed in German superiority over France. They therefore thought it unlikely that France by herself would attack Germany.

German rearmament in the air, however, continued to be watched with anxiety.

7. *Colonel Hartmann*:¹¹

A war between Russia and Japan at the present time was unlikely as Russia did not want to, and Japan could not, wage war. Only if

⁹ Col. Nikolaus von Falkenhorst, German Military Attaché in Prague, Bucharest and Belgrade.

¹⁰ Col. Freiherr Geyr von Schweppenburg, German Military Attaché in London, Brussels and The Hague.

¹¹ Col. O. Hartmann, German Military Attaché in Moscow and Kovno.

there were a danger of Vladivostok becoming a base for air attacks against Japan would the possibility of Japanese intervention become acute.

Widespread famine was not to be expected in Russia.

8. There was complete agreement that the task of making Germany strong again could only be carried out successfully if all authorities (the Party, the SA etc.) completely avoided any independent or incautious action in international affairs and primarily in the demilitarized zone and in the Saar territory. Otherwise, the temper of the European Powers, which, at the moment, was slowly quietening down, might flare up against us once more and they might once more proclaim a crusade against Germany.¹²

By order:

V. BÖCKMANN

¹² A note by Frohwein of Nov. 5 (M64/M001788) reads: "Respectfully submitted to Ministerialdirektor Köpke. Comment by the Foreign Ministry on the individual points of the memorandum does not seem to me to be necessary. Moreover this is too sketchy to be forwarded officially to the Missions. Perhaps [it could be sent] by private letter to the Ministerialdirektoren concerned?" Frohwein's note bears the following marginal notes: "1. [Against the second sentence.] I am of the same opinion. 2. [Against the fourth sentence.] I do not think it necessary. 3. To circulate among the heads of sections of Departments II, III and IV. Köpke, Nov. 6."

No. 294

3058/609827

Memorandum by the Foreign Minister

BERLIN, November 3, 1934.

RM 1238.

In a conversation I had today with Obergruppenführer Himmler, Chief of the Secret State Police, we also came to speak about the measures which we should have to adopt before and after the plebiscite in the Saar in order to prevent incidents. Herr Himmler agrees with us that measures will have to be taken for securely sealing off the German side. He intends to set up for this purpose approximately twenty frontier police stations with a staff of about 200 men to prevent undesirable persons from crossing into the Saar Territory. He intends furthermore to assemble even before the plebiscite the staff for a central police office within the Saar Territory, in order to assume control of the police as soon as the Territory is returned. Herr Himmler told me that so far the Secret State Police had no agent in the Saar Territory. He asked us to support and recommend to the Reich Ministry of the Interior the measures he is contemplating and, for his part, promised to keep in the closest touch with the Foreign Ministry regarding the measures he is to adopt. I have promised Herr Himmler support with the Reich Ministry of the Interior.

V. N[EURATH]

No. 295

9697/E682838

Memorandum by the Director of the Economic Department

BERLIN, November 3, 1934.

zu W 10123.¹

On November 2, 1934, the Reich Foreign Minister informed the State Secretary and myself of the following:

He had broached the matter of the familiar German-Rumanian compensation transactions with the Reich Chancellor. The Reich Chancellor had been annoyed that certain quarters had cited him wrongly. He regarded compensation transactions of a purely commercial character as quite in order; but he forbade once and for all commercial transactions whose subsidiary aim was to exert influence on the domestic politics of other States.

I have informed the members of the HPA [Handelspolitischer Ausschuss] of the Reich Chancellor's decision. I consider it advisable, however, that the other Departments should also be given written confirmation of this decision, so as to provide the Ministries concerned with a basis on which they may be able in future, once and for all, to refuse on principle to take action of this kind.²

R[ITTER]

¹ Document No. 285.

² The Ministries of Economics, Finance, and Agriculture were informed of Hitler's decision on Nov. 8 (9697/E682838-40).

No. 296

6081/E451152-54

The Minister in Austria to the Foreign Ministry

Telegram

TOP SECRET

VIENNA, November 4, 1934—10:15 p.m.

MOST URGENT

Received November 4—11:30 p.m.

No. 99 of November 4

II Oe. 3104.

To be submitted immediately.

For the Führer and Chancellor.

I have just had a discussion with Gömbös, after the completion of his official visits here.¹ The Minister President asked me to convey

¹ General Gömbös was passing through Vienna on his way to Rome; see document No. 310.

his warmest regards to the Führer. He had found in Warsaw² a most satisfactory atmosphere as regards Germany but thought it would be advisable that this mood be encouraged by the conclusion of an agreement on agricultural products, which would be understood by the masses. I sensed from this that leading men would very much welcome such tangible support of their pro-German policy.

[His conversation in Vienna had produced nothing new, but he had found that the atmosphere in relation to Germany had improved. The relations between Berlin and Rome were still causing him anxiety. Closer contact between Rome and Paris broken out [*sic*]³ current problems such as the armaments and Saar questions must be prevented at all costs. This would be possible if we succeeded in reassuring Rome about the Wilhelmstrasse's Austrian policy. He, Gömbös, offered his good offices to this end. I informed Gömbös of our refusal to accede to the Three-Power Declaration and of our reasons for this.⁴ It would be of interest to us, however, [I said,] if [he] would endeavour to discover from Mussolini how we could reassure him regarding our intentions in the Austrian question beyond our adherence to undertakings already given.⁵ Gömbös, for his part, proposed that the policy of Austria's independence be confirmed in a confidential exchange of notes between Germany and Italy, on the assumption that Mussolini would then cause the Austrian Government to grant a general amnesty to National Socialists.]⁶ It would be for us to take this course, with Gömbös' cooperation, if by so doing our relations with Rome could in fact be improved with little cost to ourselves, and if the amnesty, which is much to be desired in view of the distress in the Alpine regions, could be achieved. I suggest therefore that you inform Hassell at once.⁷

PAPEN

² See document No. 269, footnote 3.

³ The Vienna draft (4939/E271910-11) here reads: "Closer contact between Rome and Paris on current problems such as the armaments and Saar questions must be prevented at all costs."

⁴ See documents No. 241, with footnote 4 thereto, and No. 267.

⁵ The Vienna draft (see footnote 3 above) here reads: "beyond the declarations we had already made".

⁶ The passages enclosed in square brackets were repeated to Budapest in telegram No. 104 of Nov. 9 (6081/E451158) which went on to say that Hitler could not meet Gömbös' wishes (see footnote 7 below), but there was no objection to the Hungarians informing the Italians on their own initiative that they did not believe Germany would interfere in Austrian affairs.

⁷ Marginal note: "Has been seen by the Führer. He has agreed with my view that no commitment whatever concerning Austria should be entered into in any way beyond the assurance of non-intervention in Austria's internal affairs. v. N[eurath], Nov. 5."

No. 297

7828/E568621-33

The Foreign Minister to the Ambassador in France

BERLIN, November 5, 1934.

Sent November 6.

II SG. 7275 I.¹

Owing to French troops being held in readiness to enter the Saar and to other causes the Saar question has of late been exacerbated, which makes it necessary to raise for discussion, formally and in a very serious and emphatic manner, the French Government's threat to send in troops as well as their general political attitude on the Saar question.

You should therefore call on M. Laval at once, even if the Saar question should already have been touched upon during your initial reception,² and make an oral communication to him on behalf of the Reich Government on the following lines:

I. The threat of invasion

(1) If we did not take any action on the first press reports regarding the threat of invasion, this was only because we took it for granted that the French Government would, of their own accord, find an opportunity to correct such reports. We did not consider it possible that these could have any serious foundation. To our surprise we have become convinced of the reverse. The Havas agency has even put out a communiqué³ in which the fact is officially admitted that the French Government are making serious preparations for entering the Saar which, in certain circumstances, would be executed at the request of the President of the Governing Commission for the Saar Territory.

(2) The German Government cannot but find it most strange that, in time of peace and as if it were a most natural and harmless technical measure, the occupation is contemplated of an area which is outside French sovereign territory and which, despite the provisional régime set up under the Versailles Treaty, is still under German sovereignty.

¹ Under Ang. II and III of the same date and under Ang. IV of Nov. 6 (7828/E568646-49) copies of the document here printed were sent to the Ambassadors in Rome and London and to the Legation in Brussels respectively with instructions to act upon it. Hassell was instructed to inform Mussolini personally if possible and to add that importance was attached to keeping Italy informed in her capacity both of a Locarno Power and of Chairman of the Committee of Three. Hoesch was instructed to inform Sir John Simon and to express regret at his recent statement in the Commons (see footnote 5).

² In telegram No. 1379 of Nov. 2 (7828/E568615) Köster reported that he expected to call on Laval in two or three days' time. In telegram No. 582 of Nov. 3 to Paris (7828/E568616) Bülow stated that the document here printed was about to be despatched but instructed Köster not to postpone his appointment with Laval. In telegram No. 1387 of Nov. 3 (7828/E568618) Köster reported that his appointment was for the late afternoon of Wednesday [Nov. 7].

³ See document No. 290, footnote 4.

Were the French Government to give it a little thought, they could have no doubt that such an action would bring with it incalculable consequences.

(3) Efforts are being made to justify the French Government's military preparations by suggesting the possibility that irresponsible persons in Germany might be planning measures to upset the plebiscite. This is nothing but idle talk which has no foundation whatsoever; nor is it substantiated by the President of the Governing Commission for the Saar alluding to such a possibility in a report to the League of Nations Council.⁴ We must point out most emphatically that the German Government, who are sure of their success, have no other wish and no other concern but that the plebiscite should proceed in a quiet and undisturbed manner. The German Government reject all insinuations to the contrary as unfounded. If the competent German authorities have now issued instructions to the SS and SA organizations in the areas bordering on the Saar banning their appearance in formation and any other kind of activity for a period before and after the plebiscite,⁵ this has been done simply because we are only too well aware of how easily incidents may be caused by agitators in the frontier area, especially in the present atmosphere of the plebiscite campaign which French policy has rendered so heated. It would be a travesty of the facts if it should now be desired to assert that the German measures confirmed the above-mentioned insinuations and that the dangers along the frontier of the Saar Territory were removed only by these orders. In this connexion we must also protest against the statement made by Sir John Simon in the House of Commons today.⁶

Nor have any conditions arisen in the Saar itself which could in any way justify any sort of special measures, let alone the deployment of military forces for the maintenance of peace and order. Admittedly the President of the Governing Commission has for months been predicting the outbreak of disturbances in his submissions to the Council of the League of Nations. In fact, public order has so far not been disturbed at all in the Saar. This is most clearly proved by the fact that the courts which are competent for prosecutions arising out of such disturbances have hitherto dealt only with petty charges which are every-day occurrences in the election campaigns of all countries.

⁴ Following a search of the headquarters of certain organizations attached to the Deutsche Front, notably that of the Voluntary Labour Service, the Governing Commission had drawn attention to the threat to public order in the Saar constituted by the activities of these organizations. (See letters of Aug. 3 and 17 from the Chairman of the Governing Commission, printed in League of Nations: *Official Journal*, September 1934, pp. 1140-1146, and October 1934, pp. 1188-1200.)

⁵ A proclamation by Bürckel to this effect had been reported in the press on Nov. 3. On Nov. 5, in telegram No. 301 (7828/E568652-55) Hoesch reported that, on the authority of the State Secretary, he had confirmed to Sir John Simon at the latter's request that this proclamation was official.

⁶ For Sir John Simon's statement see *Parl. Deb., H. of C.*, vol. 293, cols. 617-618. Hoesch reported its text in telegram No. 300 (7828/E568650-51).

(4) Moreover, if the French Government really thought that they had grounds for anxieties of the kind described, it would surely have been in keeping with international usage and the present situation if they had got in touch with the German Government before making any kind of decisions.

(5) The French Government are trying to justify their measures with arguments based on international law. In the aforementioned Havas communiqué a theory is adopted, of which M. Barthou had already given a hint in his final speech to the last meeting of the League of Nations Council,⁷ and according to which certain resolutions of the League of Nations Council of 1925 and 1926 might provide the French Government with a basis for a military occupation of the Saar. On this the following should be made clear: There is no provision whatsoever in the Versailles Treaty for an occupation of the Saar by foreign troops. In view of this fact the Council of the League of Nations endeavoured from 1920 to 1930 by more than fifteen resolutions to remove the French troops who had marched into the Saar at the end of the war. In the spring of 1926, when Germany was not yet a member of the League of Nations, the then French President of the Governing Commission, Rault,⁸ had indeed, on the strength of Paragraph 33 of the Saar Statute claimed the right to call on military forces outside the Saar, if necessary purely on his own responsibility. In its resolution of March 18, 1926, the Council did not, unfortunately, formally oppose this view, although by its resolution it did at least restrict it to the effect that the deployment of foreign troops could only be considered for the purpose of guarding the lines of communication of the French Army of the Rhine. But the League of Nations Council later refrained from bringing in French formations even to guard these lines of communication and created in their place an international railway protection force which was subsequently disbanded with the ending of the occupation of the Rhineland. In all resolutions of the League of Nations Council in which Germany participated there has never again been any mention of the possibility of having recourse to French troops. Should there have still been the slightest shadow of such a possibility at that time, the German Government would naturally have demanded that the very last vestige of doubt in this connexion be dispelled. At any rate, it is clear that the original resolutions of the League of Nations Council in March 1926, whatever their purpose, have been superseded and rendered pointless by subsequent developments.

⁷ On Sept. 27; for the text see League of Nations: *Official Journal*, November 1934, pp. 1462-1463.

⁸ Victor Rault, French member and Chairman of the Governing Commission, February 1920-Apr. 1, 1926. For the resolution of the Council of the League of Nations of Mar. 18, 1926, and preceding decisions on the employment of French troops in the Saar Territory, see League of Nations: *Official Journal*, April 1926, pp. 527-528.

(6) But not even this is the deciding factor. There is no authority in the world which could declare it admissible to hold the final and decisive stage of the plebiscite under the bayonets of a Power interested in the result. The mere fact that such a possibility has even been mentioned, let alone the preparations for occupation, is apt to cause alarm in the Saar and to have the most disquieting effect on the minds of the people, thus endangering the peace. In the opinion of the German Government it is an utterly impossible state of affairs that the Damocles' sword of a French occupation should now be suspended over the Saar.

(7) In addition to this, however, the German Government must see in the intentions manifested by the French Government a most regrettable symptom of how France believes she may proceed when German interests are in question. Since the World War the French Government have set themselves up as champions of all the aspirations which aimed at creating fresh guarantees of peace by laying down principles on the inviolability of territorial integrity and the inadmissibility of foreign troops crossing frontiers. All the important international pacts which have been concluded since the World War, especially the Locarno and Kellogg Pacts, are based on this fundamental idea. Even quite recently international efforts for fresh guarantees of peace were concentrated in particular on defining the concept of aggression in contravention of international law in terms of a ban on entry into foreign territory. We should have expected the French Government to adhere to the principles they have so often and so emphatically advocated, even when it involved a curtailment of their own political freedom of action. Once again we see here the application of double standards which Germany can no longer accept. How can Germany still be seriously expected to have confidence in international security pacts and to return to the League of Nations when, at the same time, it is made clear in this way that the principles of international peace, so solemnly proclaimed, are swept aside just as soon as German interests are at stake?

(8) We therefore feel obliged to lodge a strong protest against the attitude manifested by the French Government as well as against the measures they have already taken.

II. *The treatment of the Saar question in general by France*

We must unfortunately note that the threat of a French occupation is quite typical of the policy which the French Government consider justified in the matter of the Saar. We are therefore forced to take this opportunity of once again setting forth to the French Government the whole problem of the Saar and its treatment by France.

(1) We need not waste words now over the fact that in 1919 the purely German population of the Saar was temporarily segregated from

the Reich for fifteen years, against its will and on the basis of the false assertion that the Saar was inhabited by a mixed population. Nor need anything more be said on the technical aspect of the Saar question with regard to reparations. We only wish to remind M. Laval that compensation has been paid several times over for the loss of the mines in Northern France which were situated in the theatre of war and which were destroyed. For one thing, coal was supplied to France over a number of years to make good this loss; for another, France has for years been receiving German coal on a large scale by way of reparation deliveries; finally, the Saar mines were handed over for her to exploit. Moreover, through the incorporation of the Saar Territory into the French customs system, the French economy has made tremendous gains which must be regarded as additional reparations. That the factual justification for reparations in the Versailles settlement has long since disappeared is, in any case, proved by the fact that the mines in Northern France had already exceeded their pre-war production in 1926.

(2) Now at last the time has come, even under the Versailles Treaty, to do away with the injustice and unreason of 1919. Although the German Government have never had any doubt about the result of the plebiscite they would, nevertheless, have welcomed the opportunity to make the liquidation of the provisional Saar régime a symbol of German-French understanding. In this hope they have repeatedly made overtures to the French Government. We must simply resign ourselves to the fact that the French Government have not responded to these overtures. We might expect, however, that that which has still to be done regarding the Saar question and which is essentially of a purely technical nature, would be carried out in a practical manner. This in itself would have been all the more desirable since, after all, it in no way involves any fresh and complicated political problem but merely the application of the provisions of the Versailles Treaty, regarding the meaning and substance of which there can be no doubt. Instead of taking this state of affairs into account, the French Government have decided upon a policy on the Saar question which is not at all likely to promote German-French relations or improve the international situation in general.

(3) The French Government have indeed long ago had to abandon their intention of making the Saar population ripe for integration into French sovereign territory. They have, however, been trying for some time to falsify the meaning and object of the plebiscite. This meaning and object lies, according to the Versailles Treaty, in establishing whether there is in the Saar a German, a French or, as M. Clemenceau once expressed himself, a "complex" population which wishes to be neither French nor German. It is quite inconsistent with this that the French Government should now be clearly endeavouring to turn the

national question of "German or French", which was posed at Versailles, into a domestic one of "for or against National Socialism". In attaching such a meaning to the third plebiscite alternative, that is to say, the retention of the League of Nations régime, the French Government are basing themselves on a numerically small political opposition in the Saar, whose nucleus is made up of communists and whose leaders are voteless persons and *émigrés* in many cases of a most dubious character. All these groups have found not only considerable moral but also material support in France.

(4) The publication of the Barthou Memorandum⁹ has shown that it is desired by France to render acceptable to the Saar population the retention of the League of Nations administration by means of promises (a liberal régime, economic advantages) and even by hinting at a second plebiscite, for which the Versailles Treaty provides no basis whatsoever. Moreover, French politicians have officially and quite openly announced an economic boycott of the Saar should it be reintegrated with Germany. The German Government do not understand what the French Government expect to gain from their utterly hopeless policy of propaganda for the *status quo*. The French Government may possibly see a source of material advantages in a further exploitation of the Saar. Nevertheless, we should not like to assume that it is really the French Government's aim to maintain, with this in view, a state of suspense at such a sensitive point in the German-French frontier area. This would be wrong, if only because the Saar would not be viable if dependent on its own resources and the overwhelming majority of the people would, of course, never cease to demand a return to their ancestral homeland. Naturally, the sole consequence of this would be that relations between Germany and France would be seriously strained.

(5) If the French Government should perhaps be hoping to bring about a ratio of votes in the plebiscite from which they would then derive the right to encroach upon German sovereignty in the Saar, the German Government must already point out now most emphatically that this would constitute a flagrant contravention of the provisions of the Versailles Treaty as to the competence of the League of Nations and would never receive Germany's assent. For this reason the German Government can only see in French policy over the Saar an attempt to manoeuvre sections of the German people into a hopeless adventure against their own homeland and to create political difficulties for the new Germany. This is a deliberately aggressive policy, for the consequences of which we must hold the French Government responsible.

(6) Nevertheless, we are still not giving up hope that at the eleventh hour, so to speak, M. Laval will fully appreciate the whole state of

⁹ See document No. 206, footnote 1.

affairs as outlined in the foregoing and so direct French policy over the Saar that it will not only permit of a smooth and prompt liquidation of the Versailles Saar régime but will also have a salutary effect on the favourable development of German-French relations. The German Government, for their part, are still prepared to cooperate with the French Government to achieve such a settlement of the Saar question.

You should report by telegram on your *démarche* and its reception.¹⁰

NEURATH

¹⁰ See document No. 320.

No. 298

7456/H176104

Memorandum by the State Secretary

BERLIN, November 5, 1934.

zu II Abr. 2533.¹

Admiral Raeder recently discussed the Naval Conference with me. We were agreed that at present there was no reason for us to go to London.

He also told me that the Führer and Chancellor wished to fix the German Navy at one third of the strength of the British Navy and to inform the British of this at a suitable occasion.²

BÜLOW

¹ Document No. 287.

² See document No. 358.

No. 299

7947/E573422

The Ambassador in Italy to the Foreign Ministry

Telegram

No. 252 of November 6

ROME, November 6, 1934—7:35 p.m.

Received November 6—10:35 p.m.

II SG.7327.

With reference to our telegram No. 309 of November 3.¹

Reich Commissar Bürckel and Geheimrat Voigt, accompanied by myself, were received by Aloisi and Biancheri for a lengthy conversation this morning. Bürckel described the fresh situation created by French threats to send in troops and drew particular attention to the danger

¹ Not printed (7894/E573094); this telegram announced that Bürckel would arrive shortly to discuss the Saar question with Aloisi and asked that an appointment be made for him on Nov. 6.

caused by *émigré* riffraff [*Emigrantenunwesen*], which would have to be ended in the interests of ensuring an unbiased plebiscite, if possible by the expulsion of all political refugees. Aloisi replied that the French threats, which, incidentally, should merely be regarded as manœuvres, were probably partly to be attributed to our dilatory tactics with regard to negotiations before the plebiscite, an opinion which we firmly contradicted. Furthermore, Aloisi remarked that, as a major political problem, the *émigré* question went beyond the competence of the Committee of Three and, in any case, could only be dealt with in conjunction with the other problems at present under discussion. Thereupon Voigt gave a general summary of the German views, which was followed with great attention. The discussion was particularly significant because it took place immediately before the session of the Committee of Three was opened. The German journalists here will receive a brief communiqué on the conversation, drafted in consultation with the Italians.² Representatives of trade and industry in the Saar and of the German Front will be received by Aloisi this afternoon for the purpose of explaining the familiar economic difficulties.

HASSELL

² Unsigned marginal note: "According to a telephone message from Rome of Nov. 6 [the communiqué] has been dropped."

No. 300

7828/E568620

The State Secretary to the Embassy in France

Telegram

No. 586

BERLIN, November 6, 1934—12:10 p.m.
zu II SG.7241.¹

With reference to your telegram No. 1394.¹

For the Ambassador personally.

The protest regarding the Saar cannot be delayed, as the Rome negotiations—Bürckel/Voigt²—require an immediate *démarche* in Rome and thus also with the other Powers. The instructions³ will arrive this afternoon.

Laval's intention to discuss the press agitation in both countries constitutes a welcome point of departure for your *démarche*, especially

¹ Not printed (7828/E568619). In this telegram of Nov. 5, Köster suggested that, in view of the political crisis in France, and of the fact that his appointment with Laval had been put off until 6 p.m. on Wednesday [Nov. 7] (see document No. 297, footnote 2), postponement of the protest for a few days should be considered.

² See document No. 299.

³ Document No. 297.

as the agitation could increase if no settlement is reached. As Simon met us half-way yesterday, although his statement can by no means satisfy us,⁴ it is high time to follow matters up on the lines of the despatch, which has been sent off. The only way to avoid dangerous complications in the matter of the Saar is to make our views absolutely clear.

Should you fear that the effect of your action is going to be impaired by the French domestic crisis, I leave it to your discretion whether to repeat the *démarche* with Léger immediately afterwards.

BÜLOW

⁴ See document No. 297, footnote 6.

No. 301

6680/H096007-08

Memorandum by the Director of Department IV

BERLIN, November 6, 1934.

e.o. IV Chi. 2232.

The Chinese Minister called on me today and raised the matter of the delivery of arms to Canton.¹ He emphasized that an arms embargo existed and that without a permit from the Central Government in Nanking the import of arms or machinery for the manufacture of arms was prohibited. Herr Klein had maintained that Marshal Chiang Kai-shek had approved of his arms delivery to Canton, but that was not correct. He, the Minister, had telegraphed to Chiang Kai-shek and had received the reply that Klein had indeed been received, but that he had been expressly informed that there could be no question of the deliveries to Canton being approved. The Chinese Legation had at the same time been instructed to request the German Government to prohibit the delivery of arms.

In reply I told the Chinese Minister that I would enquire into the matter, but I could already say that it was a purely private transaction with which the German Government had nothing whatever to do.

MEYER

P.S. I spoke to General von Reichenau this afternoon about the Canton transaction. Herr Klein was also present. Herr Klein denied emphatically that Chiang Kai-shek had forbidden him to carry out the arms delivery, on the contrary he had not opposed it. In addition, he told me that General von Seeckt was fully informed about his conversation with Chiang Kai-shek and that at the moment the

¹ On Sept. 8, 1934, Klein had concluded three further contracts with Marshal Ch'en Chi-t'ang, the C-in-C First Army Group, at Canton: (1) for the construction of a gas-mask factory (6680/H096138-44); (2) for the construction of a gunpowder and explosives factory (6680/H096131-37); (3) for the construction of an arsenal (6680/H096118-23).

matter was being further dealt with by General von Seeckt and Chiang Kai-shek.² He had received a letter referring to this from Herr von Seeckt a few days ago. In answer to my question, Herr Klein stated that hitherto the Canton Government had made payment punctually and without any trouble. General von Reichenau stressed the great interest which the Ordnance Office had in the transaction being completed. Herr Schacht had also been dealing with the matter and had given his approval. Negotiations were in progress for a compensation transaction in raw materials from China.

I have suggested the following solution: I should inform the Chinese Minister in a few days' time that according to my information the question of the delivery of arms to Canton was the subject of negotiations between General von Seeckt and Marshal Chiang Kai-shek. I should say that I was not in a position to intervene in these negotiations and must wait and see what decision was reached between Chiang Kai-shek and General von Seeckt.³

MEYER⁴

² In telegram No. 126 of Dec. 15 (6680/H096025) Trautmann reported that he had learned that Seeckt had been asked by Chiang Kai-shek to submit his views on the Canton arsenal plans in writing and that relations between the two had recently become cooler in consequence.

³ In a memorandum of Nov. 23 (6680/H096019) Meyer recorded that he had informed the Chinese Minister to that effect, and had pointed out that British and American firms were supplying the Canton Government with machinery, aircraft and arms without any protest being made by the Nanking Government. Liu Chung-chieh promised to communicate with his Government regarding Seeckt's negotiations.

⁴ In telegram No. 80 to Peking of Nov. 12 (6680/H096011-12) Bülow repeated the substance of this conversation and instructed Trautmann to suggest to Seeckt and Falkenhausen that they should, in conversation with the Marshal, emphasize the point noted in footnote 3 above.

No. 302

9696/E682736-39

Memorandum by the Deputy Director of the Economic Department

BERLIN, November 6, 1934.

II Balk. 2655 R.

Ministerialdirektor Ritter received the Rumanian Minister in my presence today in order to give him the reply to his *démarche* of October 11, 1934 (II Balk. 2389/R)¹ with me, and of October 30, 1934, with State Secretary von Bülow.²

I. With reference to the question raised by M. Comnen on October 11, regarding the amount of Germany's frozen commercial claims in

¹ Of Oct. 12, 1934; not printed (9696/E682726-27).

² In a memorandum of Oct. 30 (2980/581413-14) Bülow recorded that Comnen had called on him in order to explain his plan for an expansion of German-Rumanian trade and had handed him a memorandum, dated Oct. 20 (9696/E682730-32), setting out the details.

Rumania, Ministerialdirektor Ritter stated that, according to a communication from the Reichsbank (II Balk. 2443/R),³ the frozen claims arising from traffic in goods exceeded 64 million. Even allowing for a considerable reduction of this sum, it could be taken for granted that Germany's frozen claims amount to a sum far higher than that mentioned by M. Comnen. To this the Rumanian Minister replied that he had been told meanwhile that in fact very considerable sums which had not been reported to the banks still lay frozen with shipping agents and other firms. He had been given the name of one firm alone which owed Germany approximately one hundred million Lei.

II. On the plans elaborated by M. Comnen on October 11, Herr Ritter made substantially the following remarks:

The Reich Government were always prepared to cooperate actively in any plan which aimed at an expansion of the volume of trade on both sides. Before the competent authorities at home could begin the necessary preparatory work for an economic plan of this kind, it would have to be made quite clear whether, and to what extent, the Rumanian Government were going to adopt the theories which M. Comnen had developed. For this reason it would first of all have to be made clear as soon as possible whether the plan outlined by M. Comnen would be accepted by his Government as a basis for negotiations. If this were the case, negotiations could begin forthwith and Germany would attach special importance to the Rumanian Government's sending to Berlin resolute negotiators who would be willing to take responsibility.

The Rumanian Minister's plan, however, contained two questions in respect of which Germany had to make certain reservations: the oil question, and the question of the ratio between German exports to Rumania and Rumanian exports to Germany.

a) *The Oil Question.* M. Comnen had already mentioned in previous conversations that, during discussions between M. Manolescu-Strunga and the President of the Reichsbank, the latter had said he was prepared to cooperate with Rumania in respect of larger supplies of Rumanian oil for Germany.⁴ The granting of a long-term credit had also been discussed, whereby Germany would supply Rumania with the necessary machinery and building material for the expansion of her oil production against a long-term credit. The credit was then to be paid off by increased oil deliveries from Rumania. In conformity with this programme Rumanian oil would have to be included in the general barter trade, also under the plan evolved by M. Comnen, which in practice was tantamount to a large-scale barter agreement. So far the Rumanian Government had refused to supply oil under the barter

³ Of Oct. 17, 1934; not printed (9696/E682728-29).

⁴ No record of such a declaration has been found; see, however, document No. 285, footnote 4.

arrangements and had always demanded payment in foreign exchange. Germany could not, however, take up large quantities of Rumania's agricultural products on barter terms unless she were given the assurance that she would receive Rumanian oil in the same way. Here M. Comnen remarked that he personally was convinced that his Government were disposed to include oil in the barter trade if the sale of large quantities of Rumania's agricultural products to Germany could be assured by this method.

b) A ratio of 250:200 between Rumanian exports to Germany and German exports to Rumania was suggested in the proposal presented by M. Comnen, on the basis that fifty million Reichsmark should serve for the payment of coupons for the Rumanian Government loan. This amount would appear to be much too high, but consideration might be given to using such surplus of Rumanian exports to Germany for the liquidation of old debts. The Minister agreed to this and emphasized that at all events such an amount of surplus to the credit of Rumania should only be used for payments within Germany.

At the end of the conversation, during which M. Comnen also referred to his talk with Dr. Winter⁵ of the Headquarters of the Reich Farm Leader [Reichsbauernführer],⁶ it was again pointed out by the German side that because of the unpredictable developments in Germany's grain situation, commitments for more than one year for the purchase of barley and maize could under no circumstances be entered into.

ULRICH

⁵ Head (*Hauptabteilungsleiter*) of Department C in the Headquarters of the Reich Farm Leader (see footnote 6 below). Department C dealt with international agricultural and foreign commercial policy.

⁶ i.e., Richard-Walther Darré.

No. 303

8069/E579295

Memorandum by an Official of Department II

BERLIN, November 6, 1934.

II Lu. 2626.

Herr von Waldau, the German Attaché for Commercial Aviation in Rome, today requested me, further to the conversation which he has recently had with the Ministerialdirektor,¹ to report that Mussolini has turned down our proposed purchase of Italian aircraft accessories on the grounds that Italy could not spare any material in such times of tension. The payment already made by Germany would be

¹ No record of a conversation between Köpke and Waldau has been found.

returned.² No ill-feeling had been caused as the Italians were glad to get out of the affair in this way.

Herewith respectfully submitted to Ministerialdirektor Köpke.

WOLF

² In a despatch of Nov. 27, 1934 (M35/M001006-07) Waldau reported: "On Nov. 13, 1934, the sum of 2,880,000 Lire was repaid to me by Colonel Senzadenari and General Fiore [both at the Italian Air Ministry], by cheque drawn on the Banco di Sicilia. (Refers to the repayment for the now cancelled order to Fiat for 24 single-seater fighters CR 32) . . ." On Dec. 19, 1934, Waldau reported the repayment by Fiat of 65,000 Lire, being the deposit on two A 705 engines (M35/M001014).

No. 304

5566/E397641-47

The Minister in Switzerland to the Foreign Ministry

A 1784

BERNE, November 6, 1934.

Received November 9.

II M 1701.

Subject: Swiss neutrality. Desire for military and territorial neutrality.
Limits of economic neutrality. Surrender of intellectual neutrality.

The unnecessary concern which foreign newspapers—such as recently *The Times* of October 13¹—evinced as to whether Switzerland is sufficiently protecting her frontiers against Germany, suits the Federal Government quite well. The Head of the Swiss Military Department² is finding the situation favourable for the army estimates and is determined to make use of it. Last winter he introduced an increase in military equipment. Now a bill to lengthen the term of military service is about to be submitted to parliament or to a referendum. A plan for strengthening the frontier by constructing small fortifications is being drawn up. Finally, consideration is being given as to how the air arm and aircraft parking facilities could be expanded. This year and next year yet more will be heard about Switzerland's determination to defend herself. This determination is at present so popular that even the Social Democrats are wavering in their attitude and are not enforcing their party's pacifist line.

Switzerland cannot be blamed for expanding her military defences. Faith in the League of Nations and in Europe's will for peace has been thoroughly shaken in Switzerland too. Never since 1918 has there been so much talk here about war as this year. Compared with this and with military progress in general, the Swiss Army is in actual fact

¹ On Oct. 13, 1934, *The Times* published an article by its Swiss correspondent entitled "Swiss Watch on Rhine". This article was discussed in the *Basler National-Zeitung* of Oct. 16.

² Rudolf Minger; on Dec. 13, 1934, he was elected President of the Swiss Confederation for 1935.

not quite up to date. Even with her present efforts she will not reach a strength, in comparison with her great neighbours, which would really enable her to protect her frontiers and her soil without the assistance of third parties. The public know this just as well as military circles do. It should be appreciated all the more that everything possible is now being done to make an invasion and march through a more risky undertaking and so to strengthen the country's policy.

On the other hand it would be bound to cause misgivings if the military preparations of Switzerland were directed mainly against Germany, as the Swiss left-wing press and also the French and their associated newspapers would like. As far as can be seen, however, the plans for the defence of the country are made regardless of which frontier appears to be specially threatened just at the moment. The army manœuvres are not directed against any one side. The experts would rather spend the available money on motorized artillery, which can be used on all sides, than on numerous small fortifications. Such fortifications are to be constructed in small numbers and spread over all the exposed parts of the frontier.

The Swiss are arming, therefore, against an invasion, no matter from which side it may come. Their determination to defend themselves may be taken as genuine. The Swiss citizen is sufficiently attached to his soil and his possessions to defend them stubbornly if he is attacked, even if the fighting spirit of the heterogeneous army units may not be equal in all cases. Naturally, assistance against the aggressor is counted on from the other party in the conflict.

Indeed, the Swiss is not the man to spoil for a fight. He would much rather live his separate existence. He does not want to make sacrifices in European quarrels. Rather does he desire the opposite.

This conception of military and territorial neutrality is deeply rooted in the people. The London Declaration of February 13, 1920,³ together with the Vienna [*sic*] Act of Neutrality of 1815⁴ is the paramount law for the Government. This was made plain again this year when, at the time of the Austrian troubles, the question of intervention raised its head. The Government let it be known on February 21, 1934⁵—and that more definitely than on previous occasions, for

³ On this date the Council of the League of Nations, meeting in London, passed unanimously a resolution accepting the Swiss declaration of accession to the League (according to which Switzerland accepted the economic and financial but not the military obligations of membership) and recognizing that the perpetual neutrality of Switzerland and the inviolability of her territory were compatible with the Covenant. For the text of this resolution see League of Nations: *Official Journal*, March 1920, pp. 57-58. Switzerland's accession to the League accordingly took effect as from May 16, 1920.

⁴ This refers to the Act of Nov. 20, 1815, which guaranteed the perpetual neutrality of Switzerland and the inviolability of her territory, signed in Paris by the Plenipotentiaries of Austria, France, Great Britain, Prussia and Russia. For the text see *B.F.S.P.*, vol. 3, pp. 359-360. These guarantees were also recognized in Article 435 of the Treaty of Versailles.

⁵ See *The Times* of Feb. 22, 1934.

example in the case of Vilna in 1921⁶—that they absolutely refused transit to any foreign troops.

Thus far the Swiss conception of neutrality is quite clear. It finds general acceptance and as such exerts a certain influence. It also fits in completely with Germany's military interests. As matters stand today, we cannot wish for anything better on our southern frontier between Lake Constance and Basle than a firm buttress and a guarantee against surprises.

In these circumstances the Swiss determination to resist and the improvements in the Swiss Army deserve our unqualified approval.

Of course, military-territorial neutrality is only a part of fundamental neutrality, i.e., uniform treatment of the opposing or belligerent parties. Switzerland prides herself on having maintained neutrality for centuries. And yet she was for long periods within the sphere of the French system of power. She derived money and trading advantages from favouring France, even to the extent of *Reisläuferei*⁷ under treaty. The nadir in the surrender of Swiss independence was always reached at times of German impotence, such as after the Thirty Years' War and during the Napoleonic era. Fresh in the memory is the way in which she was drawn into the blockade against Germany in the World War by the notorious S.S.S.,⁸ but it is perhaps not so well known that in the World War many thousands of Swiss (about 12,000, according to a Swiss source) fought as volunteers on the Allied side.

Now Switzerland is vaunting the new guarantee of her neutrality achieved by her accession to the League of Nations.⁹ However, she has thereby sacrificed her economic neutrality. She has even expressly acknowledged that she has to take part in the so-called economic sanctions of the League of Nations under Articles 16 and 17 of the Covenant. That the seat of the League of Nations is in Geneva entangles her still more in its meshes. In the present situation, that is tantamount to taking sides against Germany in economic matters.

Could Switzerland in any event remain neutral economically, even if she wished, and if all the proceedings such as the London Declaration, the League of Nations Covenant, the League of Nations resolutions, in short all legal questions, could be disregarded? In a short war, perhaps; in a longer one, no. By and large the example of the World War also applies today.

⁶ See document No. 131, footnote 9.

⁷ More correctly *Reisläufen*, the enlistment of young men for military service with foreign States which was widespread in Switzerland from the 16th to the 19th centuries; efforts by the Confederation to ban this practice were unsuccessful, and individual members of the Confederation sought to regulate it by treaty to their own advantage.

⁸ This was the Société suisse de surveillance économique, a body set up in agreement with the Allies which gave the latter a guarantee that the goods which they exported to Switzerland would not be re-exported. A similar *modus vivendi* was reached with Germany by the creation of a trustee office [*Treuhandstelle*] at Zürich.

⁹ See footnote 3 above.

Switzerland can only feed up to two-thirds of her population herself. She lacks textiles, oils, fats, liquid fuel, coal, iron and steel. During the war she obtained the latter raw materials, coal, iron and steel, mainly from Germany and the rest from our opponents. In an emergency, however, our former enemies could supply all her needs, though with difficulty. Germany would not be in a position to do so.

It is, therefore, to be expected, that in a German-French conflict strong pressure would at once be brought to bear on Switzerland to cut herself off from Germany economically. This pressure would be effective to a greater or lesser extent according to which of Switzerland's other neighbour States were involved, where the war was being fought, the state of the supply routes, the probable duration of the war etc. In favourable circumstances Switzerland would first try, as in the World War, to carry on trading with both sides, but in unfavourable circumstances she might very quickly be drawn into the circle of those joining in the anti-German blockade.

There is no evidence here that Switzerland is already engaged in an exchange of views with third States about her supplies in the event of war, or has even reached an understanding with them. Indirect offers of this kind are, however, to be found again and again in the French press. It is likely that the authorities here would not be entirely unapproachable. They might even point out to us that this sort of thing had been done before and that even Germany had engaged in it (e.g., the German-Swiss arrangement for coal deliveries of the spring of 1914). On the other hand it might perhaps be worth while to examine more closely the question of whether we should not again, by means of supplies for the Swiss Army, get Switzerland more accustomed to obtaining supplies from Germany again and thus render her defection more difficult in the event of war.

Although in view of the foregoing, we may expect Switzerland to maintain her military and territorial neutrality to the best of her ability and to surrender her economic neutrality step by step, and hardly to our advantage, she has already departed from her neutrality towards us as far as her sympathies are concerned. No one can ignore the fact that at present all news unfavourable to the new Germany finds a willing ear among the Swiss people. To modify this constitutes our daily political task in Switzerland. Should it come to a European conflict while the present mood prevails, the average Swiss would be only too likely to try to place the blame for all the trouble on Germany. In view of the democratic tradition of the country this would be reflected in the Government's actions. We should soon see the bias of public opinion very painfully reflected in the administration too, e.g., on questions of the press, propaganda, the information service, the police supervision of foreigners etc., that is to say in spheres which are still more important in war than in peace time.

From the military point of view, too, it will be necessary to pay attention to public opinion in Switzerland. The Swiss newspapers are very independent and, unlike the press of other countries, are almost all inaccessible to direct influence. Therefore the task of so adapting our policy and propaganda as to avoid disturbing Swiss sensibilities and gradually to win the Swiss over, is one which deserves the attention of the Wehrmacht too, as being substantially in preparation for an emergency.

WEIZSÄCKER

No. 305

9564/E673406-13

Counsellor of Legation Schnurre to Ministerialdirektor Köpke

BUDAPEST, November 6, 1934.

Received November 9.

II Ung. 846.

DEAR MINISTERIALDIREKTOR: I have the honour to enclose two memoranda, one of which contains observations made by Minister President Gömbös on November 1, 1934, about Minister President Göring's Belgrade visit,¹ the other dealing with my conversation today with M. de Masirevich, in which he discussed the same subject.

When I saw Minister President Gömbös I had not yet received the Reich Foreign Minister's memoranda describing his conversations with M. de Masirevich on October 25 and 26 (II Ung. 777).² During my conversation with M. de Masirevich, I was able to make use of these two memoranda as well as of the State Secretary's memorandum of October 30³ on his conversation with the Rumanian Minister which you sent to Minister von Mackensen.

I am, Herr Ministerialdirektor,
Yours most obediently and
with Heil Hitler!

SCHNURRE

¹ Göring had attended the funeral of King Alexander of Yugoslavia on Oct. 17; see document No. 263 and footnote 2 thereto.

² Copies of documents Nos. 269 and 273 were forwarded to Budapest under cover of despatch II Ung. 777 of Oct. 29 (9564/E673400).

³ Document No. 284.

[Enclosure 1]

BUDAPEST, November 2, 1934.

When I saw him yesterday, Minister President Gömbös complained vigorously about Germany's attitude towards Yugoslavia, and particularly about Minister President Göring's latest statements in Belgrade.⁴

⁴ See documents Nos. 284 and 292.

Minister President Göring had not only expressed the hope that the Yugoslav State would grow in power, but had also said that the German minorities in Yugoslavia were much better treated than those in Hungary. All this at a time when Hungary was exposed to the greatest pressure from Yugoslavia. This attitude of Minister President Göring's stood in glaring contrast to the manner which he had adopted to him [*sic*: Gömbös] during his last stay in May of this year at Királyszállás. At that time he had been completely reserved on political matters and had only spoken to him on non-political affairs. In Hungary he, Gömbös, represented a Hungarian foreign policy, which, as we knew, was focused on Berlin. He had, on this account, just recently again been severely attacked by his political opponents in Hungary who had used the occurrences in Belgrade against him. His position in domestic and foreign policy had certainly become much more difficult in consequence. The Minister President requested me to bring this to Reich Minister von Neurath's notice in an appropriate manner.

I told the Minister President that I had learned of Göring's remarks in Belgrade from the newspapers and could consequently not comment on them in detail. I had never heard anything about a statement on the minority question. M. de Masirevich could certainly have convinced himself in Berlin that there had been no change whatever in the friendliness of German policy towards Hungary. Regarding German relations with Yugoslavia, I could tell him what had been decisive for the conclusion of the German-Yugoslav Commercial Treaty of May 1⁵ of this year, in the negotiation of which I had taken part. The decisive factors had been the following points: Maintaining the Yugoslav market for Germany, opening up Yugoslav raw material sources to Germany and, above and beyond these economic points, the commercial goal of preventing Yugoslavia from entering into closer commercial ties with the other two States of the Little Entente by normalizing her trade relations with the great German market. We believed that we had reached this goal and we thought that this was just as much in Germany's interest as in Hungary's.

Gömbös told me that he was in complete agreement with this and that he had not the slightest objection to the commercial agreements with Yugoslavia. His only objections were to the most recent German moves in Belgrade which went beyond this.

The Minister President then spoke in greater detail about the Hungarian attitude to Yugoslavia and described Hungary's attempts at conciliation up to 1926. Even today Yugoslavia, among the States of the Little Entente, was the State with which they seemed to have the smallest differences. It was only a matter of a comparatively narrow strip of frontier territory in the north of the Vojvodina, which had a

⁵ See vol. II of this Series, Berlin despatch to the Embassy in Italy of Mar. 12, 1934.

Hungarian population. If frontier revision with Yugoslavia could be achieved on this modest scale there would no longer be any points at issue between the two States, as Hungary had no claims on Croatia. Furthermore, Hungary shared Germany's respect for the Serbian soldier.

As I left the Minister President's office I encountered in the ante-room M. de Masirevich, who had apparently just arrived from Berlin.

SCHNURRE

[Enclosure 2]

BUDAPEST, November 6, 1934.

Minister de Masirevich called on me today and described the impressions he had gained in Budapest. He said that people here were very much disturbed by German statements to certain anti-Hungarian States to the effect that Germany no longer regarded herself as a revisionist country. When I asked M. de Masirevich which other country he meant, apart from Yugoslavia, he told me in confidence that Minister President Göring had recently made this statement to the Rumanian Minister and that in so doing he had spoken expressly in the name of the Führer and Chancellor. M. de Masirevich showed himself to be informed in essentials regarding the discussion between Minister President Göring and the Rumanian Minister, as recorded in the State Secretary's memorandum of October 30 on his conversation with the Rumanian Minister. M. de Masirevich told me that he had, in consequence of his last two conversations with Reich Minister von Neurath, made reassuring declarations here. However, in view of the fact that Yugoslavia and Rumania had boasted about these declarations, there was still considerable nervousness, for Italy too had most probably become aware of them through conscious and deliberate indiscretion on the part of Yugoslavia and Rumania. In addition, political circles in Hungary itself had accused Kánya of pursuing an erroneous policy, since Germany had abandoned a policy of revision.

From the statements which Minister President Göring is alleged to have made in Belgrade, M. de Masirevich picked out particularly, just as His Excellency Gömbös had done to me a few days ago, the remarks about the minorities. Minister President Göring had, as the Hungarian Government had learned from a reliable source, said in Belgrade that his fellow Germans fared much better under Yugoslav rule than they had ever done under the Hungarian régime. I told M. de Masirevich that I knew nothing of such a remark and regarded it as improbable.

On his return, M. de Masirevich, who, by the way, gave the impression of being very nervous and overworked, intends to call on Reich Minister von Neurath during the coming week, in order to inform him

of his impressions. I have explained to M. de Masirevich our point of view on the question of revision and our attitude towards Yugoslavia, as formulated in the memorandum of October 30 and in the Reich Foreign Minister's two memoranda of October 25 and 26 (despatch of October 29, II Ung. 777). He accepted this, personally as well as officially, as the correct interpretation of German policy, but remained anxious about the atmosphere here.

SCHNURRE

No. 306

7828/E568677-79

The Foreign Minister to the Embassy in France

Telegram

No. 589

BERLIN, November 7, 1934—9:15 p.m.
[zu] II SG.7336¹ Ang. I.²

With reference to your telegram No. 1405.¹

The instructions of November 5³ on a Saar *démarche* have in no way been rendered superfluous by Laval's statements and the Havas communiqué⁴ on your conversation. Certainly Laval has denied that military preparations are being made for a French invasion but, on the other hand, has quite definitely maintained the view that, in certain circumstances, France would have a right to send in troops.

It is our impression that as soon as he was informed either by François-Poncet or by the British Government of the impending German *démarche* he wanted to blunt its edge beforehand. If we were now to be content with his statements and the relevant communiqué, we should, in the eyes of the world, be the ones who had quite unnecessarily caused an uproar and were technically in the wrong. We have for this reason published a DNB communiqué at noon today,⁵ confirming the instructions given to you and stressing that you have requested a further conversation.

You should therefore bring about the second conversation with Laval as speedily as possible. You could then communicate to him the whole substance of the despatch unaltered, pointing out that the despatch had arrived during your first conversation, when only a secondary point in the despatch was dealt with, that is to say, the

¹ Document No. 307.

² Under Ang. II of the same date (7828/E568680), the Missions in Rome, London and Brussels were apprised, in telegrams Nos. 314, 329 and 87 respectively, of document No. 307 and of the document here printed and were instructed to make the prescribed *démarche* as soon as possible.

³ Document No. 297.

⁴ See document No. 307, footnote 6.

⁵ DNB release No. 2365 of Nov. 7 (M24/M000890).

matter of the military preparatory measures which earlier French press reports alleged had already been taken.

After setting forth the contents of the despatch you should tell M. Laval that we have naturally taken note, with the greatest satisfaction, of his statements about the German character of the Saar Territory and about his hopes of seeing it reintegrated with Germany soon. This leads us to hope that the whole of French policy on the Saar will from now onwards be adjusted accordingly and all aggressive trends, such as we have observed hitherto and have found particularly in the Barthou Memorandum,⁶ will at last be abandoned. As soon as this becomes manifest, the justifiable agitation in the German press will quite automatically die down. We also are of the opinion that, after a smooth and speedy settlement of the Saar question, the way will be open for initiating a fruitful policy of understanding with France, for which Laval will always find the Reich Government genuinely prepared.

The prescribed *démarche* will also be made in London, Rome and Brussels.⁷

NEURATH

⁶ See document No. 206, footnote 1.

⁷ See footnote 2 above.

No. 307

7828/E568671-76

The Ambassador in France to the Foreign Ministry

Telegram

No. 1405 of November 6

PARIS, November 7, 1934.

Received November 7—3:00 a.m.

II SG.7336.

Laval at once raised the Saar question in today's¹ conversation. In his opinion this constituted the cardinal point in German-French relations which, in turn, formed the basis for peace in Europe. His attitude to the problem of France-Germany was known to us. He could only assure us that not only had he not changed this attitude but he was more deeply convinced of its rightness than ever before. Misunderstandings must be eliminated. There was not enough time in today's conversation to deal with questions like disarmament, the Eastern Pact etc. In any case, these problems were so closely bound

¹ See document No. 300, footnote 1. In a minute of Nov. 6 (3058/609843) Bülow recorded that at 5:45 p.m. Köster rang up to say that his appointment had been advanced by a day and to ask for instructions. He had told Köster to inform Laval that he expected detailed instructions shortly and to reserve all comment on the Saar for the time being.

up with the future shaping of mutual relations that they could not successfully be made the subject of an exchange of views until the Saar question had been settled. He then declared that, in his opinion, the Saar was one hundred per cent German and that he personally desired nothing more sincerely than that this territory should return to Germany. Once this had been effected, it would be possible to strike a useful balance in mutual relations and thus create the basis for a programme for the future. I could inform my Government that he was giving this problem his full attention and was putting all his energy into that task which seemed to him the most important, namely the establishment of sincere, honest and good-neighbourly relations by a rational attitude to the Saar question. The prerequisite for this was, however, that the German Government should adopt the same views and translate them into reality.

In reply I told the Foreign Minister that I received his statement with thanks and gave it full credence, but had to object that the attitude so far adopted by French official quarters had not always given the impression that his ideas as outlined to me were the official view. The preparations for sending troops into the Saar, which of course he knew about, even confirmed the contrary. France's toleration of dark machinations on the part of various French societies and private persons as well as of German *émigrés* living in France meant that she was to blame. Toleration of such acts was bound to give the impression that words were not consistent with true intentions.

Laval immediately took up my remark regarding military preparations and informed me on behalf of the French Government that no military preparations whatever had been made either in the form of troop movements, technical measures or any other military precautions. He had once again had a detailed conversation about this question with Pétain² this morning, who had fully confirmed all he was now telling me.

In reply to my retort that the French Government were guilty of having encouraged the almost unheard of agitation in Germany by not counteracting these reports with a *démenti*, Laval asked me whether I had not read the Havas communiqué of November 25 [*sic*]³ which contained an official denial that such precautions had been taken.

I confirmed having knowledge of the communiqué but said that it was not clear on this point; at any rate, I could not spare the French Government the reproach that, although they recognized the possibilities of friction they had refrained from promptly getting in touch with and reassuring the German Government concerning the apprehension they felt about the peaceful course of the plebiscite.

² Minister of War.

³ The draft in the Paris files (M31/M000964-69) here reads: "of October 31"; see document No. 290, footnote 4.

Thereupon the Foreign Minister stated quite spontaneously that he would use the publication of the official communiqué on today's conversation to deny once again in plain language that any kind of military measures had been taken. He sincerely hoped that this communiqué would contribute to a relaxation of the atmosphere. The views of the French Government were clear; they desired nothing but a free plebiscite in the Saar. He could understand, although he did not approve of it, that German propaganda should overstep the bounds here and there, as he could well imagine the German frame of mind. I replied that we also desired nothing but a free plebiscite in accordance with the provisions of the Treaty. We were pursuing no other aims, nor was it necessary for us to do so, since we need not worry at all about the outcome of the plebiscite. If the Foreign Minister really wished to contribute to a relaxation of the atmosphere during the period before the plebiscite, he should, in the first place, bring pressure to bear on the French press to stop polemics on the Saar question. Despite all protests about the freedom of the press the French Government had, as experience had shown, the power and special means for getting their own way with the press when they so desired. It was only a question of their wishing to do so.

The Foreign Minister said that as soon as the conversation was finished he would summon the journalists and have appropriate instructions issued to them. A pre-condition was, however, reciprocity. I replied that even without special instructions I could promise him the German Government's agrément and appropriate instructions to the German press. The fewer the polemics which appeared in the newspapers of both sides, the more objective would be the attitude of the public to this question, which was a vital one for Franco-German relations. The Foreign Minister added that naturally he did not have as much influence over all the newspapers as he would like and in the case of some . . . (group mutilated)⁴ he could not guarantee that they would refrain from deviations. I told him that matters were much the same with us.

The Foreign Minister went on to say that he would state at the next Council meeting at Geneva that, although France must, in accordance with the 1925-26 resolutions,⁵ make her troops available for the maintenance of order in the Saar, she was not in the least interested in doing so; on the contrary, he would stress that the French Government had only one wish, namely, that the members of the League of Nations—especially Britain and Italy—should not be deaf to a possible appeal from the Saar Government for the sending of police forces but should readily accede to this request. He did not expect any advantage from

⁴ This sentence corresponds to that in the Paris draft; no words are in fact missing.

⁵ See document No. 297, footnote 8.

the use of French troops but only confusion and discord. I added that it was a question not only of the aforementioned repercussions but also of the flagrant violation of German territory and of treaties. I could only reiterate again that French circles which desired the cession of territory or the *status quo* or French military action, were defending an untenable position and wishing for a situation which would not only be a good second to—here the Foreign Minister interrupted me with “the problem of Alsace-Lorraine”—but would even surpass it. In any case, he probably remembered from the time of the occupation of the Ruhr and Rhine what trouble could be caused by French generals who were let loose on politics.

The Foreign Minister included the Secretary General in the final stage of the conversation. He described again in the latter's presence his ideas in respect of the Saar question and German-French relations and instructed him to draft the communiqué on our conversation of today, which has already been transmitted by DNB;⁶ he hoped this would clear the atmosphere considerably and eliminate all misunderstanding.

I informed the Foreign Minister that I should probably have to make, already tomorrow or the day after, a *démarche* in the name of my Government protesting against the military precautions and France's attitude to the Saar question in general.

The Foreign Minister expressed the hope that I would succeed in convincing my Government that there was no cause for such a *démarche*. I must myself have gathered from his statements that there were no juridical grounds for this. In any case, he could well understand, in view of the extremely complicated political situation in France, what thoughts and doubts had moved me during his statements; but he could tell me that, as matters stood today, there would probably be big changes in the Government at the latest by Thursday, with a new Cabinet of political truce [*des Burgfriedens*] in which he would probably play a part which could affect the problems in which Germany and France were interested.

The conversation proceeded in such a friendly and cordial manner,

⁶ The French text of this communiqué in the Paris files (M31/M000970) reads:

“M. Pierre Laval, the Foreign Minister, this afternoon received Herr Roland Köster, the German Ambassador, with whom he conferred at length on the different problems of interest to both countries and especially on the questions relating to the Saar plebiscite.

“During this very friendly conversation, the Minister made it clear that France neither intended nor was able to renounce any of the duties which fall to her in the execution of her international obligations with regard to the League of Nations.

“M. Pierre Laval also wished to deny reports in the foreign press relating to the alleged military measures and especially to the movement of troops which had allegedly already taken place; this clarification being made to put an end to all misunderstanding.

“The Ambassador, expressing the views of his Government, affirmed that Germany did not intend in any way to disregard the conditions laid down by the Treaty in order to assure freedom of voting for the Saarlanders. The Minister took note with satisfaction of this declaration and for his part pointed out that the dispositions of the French Government have always been equally clear regarding the absolute respect for this freedom of voting. November 6, 1934.”

particularly after the Secretary General had joined us, that, if the words of the Foreign Minister may be believed, readiness for a frank discussion on German-French problems does not after all seem altogether out of question. The future will have to show to what extent the Foreign Minister's many good intentions will be translated into reality. In any case it seems to me advisable to act on the suggestion in respect of press polemics at once. As the Foreign Minister will be fully occupied with meetings of the Cabinet and parliament tomorrow and I shall therefore not be able to make the *démarche*, as instructed in the despatch which has just arrived,⁷ until Thursday or Friday, I request your instructions as to whether I am still to make this *démarche* in full.

KÖSTER

⁷ Document No. 297.

No. 308

8825/E614214-18

Memorandum by the Consul General in Danzig

DANZIG, November 7, 1934.¹

Danzig's critical economic situation has naturally caused serious anxiety in all sections of the population and created a very tense atmosphere.

That the Presidential crisis,² the main topic of conversation in all circles, should have developed at this juncture, must be taken very seriously.

On November 7, at a long interview with the High Commissioner, I had an opportunity of hearing his views on the political situation. My main impression was that he was very greatly concerned over Danzig's immediate future. The gist of what he said is as follows:

Since assuming office he had always taken the greatest pains to prevent violations of the Danzig Constitution while maintaining complete impartiality, indeed he had gone even further and shown every consideration for the Danzig Senate. This had virtually been his only task once Polish-Danzig affairs had begun to be negotiated between the two parties direct. He had observed with special satisfaction that President Rauschning possessed a very subtle understanding for Danzig's particularly difficult situation, which he—the High Commissioner—himself in no way failed to appreciate. Thanks to Rauschning's cooperation it had always been possible for him, up to the

¹ There is no indication as to when the document here printed was received in the Foreign Ministry; it was submitted to the Foreign Minister on Nov. 17.

² See documents Nos. 224, 236, 243, 244, 248 and 249.

present, to smooth out complaints concerning alleged violations of the Constitution, so that it had not been necessary to invoke the Council of the League of Nations. Recently, however, this situation had basically altered. He had repeatedly had occasion to notice that since the absence of President Rauschnig, his remarks and suggestions had indeed been received with apparent understanding, but had consistently failed to achieve the hoped for results.

He gave me some examples of this (arming the SA and SS with daggers; the speech by Vice President Greiser to the police;³ reinforcing the rural police with Danzigers for the elections⁴). Regarding the occurrences on the first election Sunday,⁵ the High Commissioner expressed himself as follows:

In the last few days many complaints had been made to him by the Social Democrats and the Christian Nationals about the occurrences last Sunday. He did not intend to take these things too seriously and had told the spokesmen that in every election campaign, even in democratic countries, there were broken heads, and that isolated cases of that kind would not induce him to take any action. He nevertheless considered it important to point out that the State authorities should, as far as possible, do their best to see that such occurrences did not take place, if only in the interests of the National Socialist Party itself, since its hoped for success could not but be jeopardized by such events if its opponents really succeeded in bringing proof that the freedom of choice had been suppressed. I drew the attention of the High Commissioner to the proclamation signed by the Gauleiter, the Brigadeführer of the SA and the Brigadeführer of the SS, stating that any National Socialist who infringed the freedom of choice provided for by the Constitution and guaranteed by the Senate, would be ruthlessly expelled from the Party and its associations. Mr. Lester noted this with great satisfaction. No one, he said, would be happier than he, if he were not compelled to report to the Council of the League of Nations.

He regarded the present situation as serious also where the Poles were concerned. All that had been achieved in treaties and friendly conversations with the Poles was—as he himself had heard from the Polish side—being jeopardized by the Presidential crisis. I informed the High Commissioner that the Polish anxiety was groundless, for, quite apart from the question of who should be President of the Senate, there could be no question of any alteration in the political course,

³ On Nov. 2. According to the *Danziger Volksstimme* of Nov. 5, 1934 (not reprinted, M18/M000724), Greiser had said that he would not rest until every employee of the Free State was a National Socialist.

⁴ This was done under an Administrative Order of the Danzig Senate, A III 39/52 of Nov. 5, 1934 (M18/M000722-23). Communal elections in two rural districts were due to take place on Nov. 18.

⁵ i.e., Nov. 4.

as all State authorities would certainly continue to follow the path of understanding with Poland, and in this connexion there were only likely to be slight differences of personal approach. Moreover, it was really incomprehensible to me why the Poles should doubt Danzig's goodwill in this respect, as it must be quite clear to them that the political course followed by Danzig *vis-à-vis* Poland could not be other than that followed by the Reich towards Poland.

All the same, the High Commissioner said that he was at present anxious and that he feared that he would not succeed in having no Danzig affairs to bring before the forum of the Council at its next meeting. He greatly regretted the crisis in the Presidency, as in President Rauschnig, with whom he had been able to work in all confidence, he saw a guarantee for wise and calm treatment of all questions. He could not feel the same confidence in face of the changed situation. He must once more repeat that he was very much concerned about the whole state of affairs.

I also indicated to the High Commissioner that I had heard rumours to the effect that he had already gone into the question of calling in an international police force. To this Mr. Lester replied very seriously "that would only be considered in the last resort, and I hope that it will never be necessary".

In this conversation with the High Commissioner, I was as always convinced of his goodwill, his great loyalty towards the Danzig Senate, and of a by no means sympathetic attitude towards Poland.

The High Commissioner's remarks with regard to the changed attitude of the Poles are strongly supported by reports from the Senate to the effect that the Polish diplomatic representatives are at present refusing, for some trifling reason, to continue any negotiations on current questions, in particular on the implementation of the agreements of August 6, 1934.⁶ From this, too, the deep mistrust of the Poles towards Danzig's new political situation is evident.

The Presidential crisis is having a disturbing effect in domestic politics too. It may be assumed that the whole of the farming population of Danzig is in fact behind President Dr. Rauschnig, whom they regard above all as the champion of their interests. The economic situation of the farmers has become extremely difficult, particularly owing to the foreign exchange situation in the Reich. It is to be feared that when the resignation of the President of the Senate becomes known, the farmers will become rebellious and will slip out of National Socialist control. There are plenty of dissatisfied elements of other shades of opinion in Danzig which, given the opportunity, might form a *fronde* of such dimensions that the National Socialist leadership might be called in question.

⁶ See document No. 40, footnote 4.

I see in this a serious threat, also to the Movement's reputation abroad, which every effort must be made to dispel.

RADOWITZ

No. 309

7947/E573429-31

The Ambassador in Italy to the Foreign Ministry

Telegram

No. 256 of November 7

ROME, November 8, 1934—2:30 a.m.

Received November 8—4:35 a.m.

II SG.7385.

Aloisi asked me and Biancheri to call on him today to inform me that, at his request, the Committee of Three had today resolved to postpone until Saturday the decision about questions on the agenda, as otherwise a decision on the most important points would have had to be taken with the German reply missing.¹ He would now like to request the German Government once again most urgently to state their material views on the various questions, even if it were not yet possible at the moment to make a detailed reply, and above all to send experts on financial questions to Rome. The Saar Plenipotentiary had stated yesterday² that the French threat to move in troops had made it almost impossible for Germany to enter into negotiations; moreover, the first prerequisite for a calm plebiscite was the expulsion of all political *émigrés*. Meanwhile, with regard to the first point, it was already clear from the Laval-Köster conversations³ that the critical tension in this matter had been allayed. I replied that I doubted the correctness of the Havas communiqué;⁴ in any case, it did not affect our proposed *démarche*. Aloisi replied that he was quite clear on this but, nevertheless, some improvement was noticeable in the tense atmosphere. As far as the *émigrés* were concerned, complete expulsion was the main reason for fresh political demands [*sic*]⁵ of the most extensive kind which we would hardly wish to make a condition for all negotiations. I replied that the Governing Commission alone was to be blamed for the developments in the *émigré* question, as it had not prevented the political activities of the *émigrés* and had even employed a number of them. Thereupon Aloisi stated that on the guarantee question, where he appreciated the desire to refuse protection [*Freibrief*] for *émigrés*, a formula might be found which would

¹ See document No. 260.

² See document No. 299.

³ See document No. 307.

⁴ See document No. 290, footnote 4.

⁵ The draft in the Rome files (M32/M000972-76) here reads: "was a new political demand".

exclude *émigrés* from the guarantee with the aid of a definition of domicile. With regard to the question of civil servants, he would like us to state clearly our readiness to enter into negotiations at once. Likewise, he would ask us in the matter of the mines to declare in a clearer form our readiness to enter into negotiations, at least at a definite and early date. Finally, our reply regarding social insurance had also been basically quite negative so far. He attached the greatest importance, however, to our sending financial experts. Indeed the German trade representatives from the Saar had themselves reported an important matter which came under point 11 of the financial questions to be dealt with.⁶ This showed most clearly the necessity of discussing this complex of questions. The trade representatives had been of the opinion that, as qualified experts, they could best discuss all the economic points. This method could, however, by no means be adopted since, on the contrary, Government representatives were required. In conclusion Aloisi and Biancheri again urgently appealed to us to facilitate, in Germany's own interests, the work they had done in all good faith, by making a more conciliatory statement on the lines of their suggestion, by tomorrow or at latest the day after and especially to promise to send financial experts immediately. Bürckel and Voigt propose the following:

1. The question of a guarantee: Rejection as before.
2. The question of civil servants: Readiness to enter into negotiations with the Governing Commission during the last week of November.
3. The question of the mines: Readiness to enter into negotiations at the end of November, leaving open the question, which the Italians also regard as secondary, as to whether the negotiations should be conducted with the Committee of Three pursuant to Paragraph 36 or with the French pursuant to Paragraph 38.⁷
4. Social insurance: Communication by the end of next week of a draft statement on the lines of our present attitude.
5. Financial questions: No objection to sending financial experts provided we intend to agree, at least partially, to the Financial Committee's suggestion⁸ of using the foreign exchange accruing to us upon

⁶ The reference is to the report of Oct. 17, 1934, of which a copy had been furnished to the German Government (7947/E573434-42), of the League Financial Committee on the questions submitted to them by the Chairman of the Committee of Three (see document No. 260, footnote 12). Paragraph 11 of the report pointed out the desirability of meeting foreign claims in the Saar and proposed that, in the event of reunion with Germany, when the latter would acquire "a further fortuitous windfall" of foreign currency (the Saar currency being French francs), this sum should be used to meet such claims.

⁷ Of the Saar Statute; see Editors' Note, p. 229.

⁸ In their report (cited in footnote 6 above) the Financial Committee had drawn attention to the fact that essential imports, e.g. of foodstuffs, into the Saar had in general been financed by foreign ninety-day credits, and to the importance of continuing to secure such credit facilities, at least for a transitional period, by obtaining assurances from the German Government on the transfer question.

reintegration, for repaying the normal three months' commercial credits running at the time of reintegration; this we recommend. Certain concessions to us in all fields of trade policy (quotas, customs rates) might possibly be obtained. Should we have to turn this down, it would be advisable to furnish a statement to the effect that, in so far as the difficulties in the Saar economy do not stem from the clearing system, Germany would be prepared, in view of the greater difficulty of obtaining supplies from France for the Saar economy, to be responsible for such supplies.

With regard to point 5 [above] Bürckel will himself get in touch with Neurath and Schacht on Thursday evening from Neustadt and, if necessary, go to Berlin himself on Friday.⁹

HASELL

⁹ i.e., on Nov. 9.

No. 310

8050/E578757-59

The Ambassador in Italy to the Foreign Ministry

Telegram

No. 254 of November 7

ROME, November 8, 1934—2:30 a.m.

Received November 8—5:15 a.m.

II Ung. 826.

I had a lengthy conversation this morning with the Hungarian Minister President, Gömbös,¹ who had his first discussion with Mussolini yesterday and his second this afternoon; several points are worth noting. Gömbös said it was clear that Hungary, and particularly he himself for the sake of his policy, were most anxious that the Berlin-Rome Axis, which had been cracked, should be repaired. Being firmly convinced of the need for re-establishing this link after all the confusion that had arisen, he too was working to this end here. In reply I told him more or less what I had told Kánya,² namely that we for our part were really doing everything we possibly could in connexion with the critical Austrian question, and I gave details. It was now for the other side, and the Vienna Government in particular, to make some response. Gömbös replied that he found my observations extremely interesting; he had gained the definite impression from his conversation with Mussolini that there was indeed an inclination to re-establish old relations. Mussolini had, however, indicated that after all that had happened he could not take the first step. It was quite clear that

¹ General Gömbös arrived in Rome on Nov. 5 and left on Nov. 7. For the official communiqué published at the time, see *The Times* of Nov. 8, 1934.

² See document No. 266, footnote 3.

Mussolini was filled with deep mistrust, especially in view of Germany's policy towards the Little Entente. At this stage Gömbös commented on the statements said to have been made by General Göring in Belgrade, whereupon I countered on the lines of your telegram No. 311 of November 3.³ Gömbös was of the opinion that Göring seemed nevertheless to be pursuing a conscious policy of *rapprochement* with the Little Entente and apparently even intended to fly to Bucharest shortly. I replied that I knew nothing of this; General Göring was not in charge of foreign policy and, though he was a high-spirited military man, he fell completely into line with German foreign policy. Gömbös was, of course, informed about this foreign policy through his Minister in Berlin. In any case I was unable to see what more we ourselves could do. He must also take into account the far-reaching repercussions in Germany of the outrageous campaign in the Italian press. Gömbös said he quite understood my last point; nevertheless, we were concerned with a very important matter in which sentiment should be disregarded. He did not believe in a genuine Franco-Italian understanding; the French would tempt the Italians with attractive offers but with nothing very real behind them, and he had pointed out to Mussolini that France would always remain Italy's real opponent, whereas the Rome-Berlin line was the natural enduring axis in Europe to which Austria, in the long run, would not constitute an obstacle but in which she would be a connecting link. I asked Gömbös about the impressions he had gained in Vienna⁴ and drew his attention to the article in the *Reichspost* which stressed the difference between Hungary's revisionist policy in respect of the Treaty of Trianon and the guarantee of Austria's independence through the Treaty of St. Germain; surely there could be no understanding on the basis of such indignity. Gömbös, who had no knowledge of the article, said that after his return from Rome he would have an opportunity at Semmering of bringing this article and the dangers emanating from such views up with the Austrian statesmen. He gave no clear reply to my question regarding the impressions he had gained in Vienna, but recommended once again that the Rome-Berlin line be promptly repaired. He firmly believed that the true aims of Mussolini's policy lay not on the far side of the Brenner but in the Mediterranean. Gömbös went on to state that . . . (group mutilated) [? following upon] the vigorous attack on Italy, Yugoslavia would shortly turn more strongly against Hungary, and that Beneš would fan the flames. However, he was not alarmed and would defend himself with all his might. He described relations with Poland as extremely satisfactory; he had also observed that feeling in favour of Germany was increasing

³ See document No. 292, footnote 5.

⁴ See document No. 296.

in that country, whilst Polish-Czech differences were growing more bitter. Gömbös indicated that he hoped soon to have an opportunity of calling on the Führer. He is leaving tonight for Semmering.⁵

HASSELL

⁵ A copy of the telegram here printed (1555/377596-98) was forwarded by Neurath to Lammers on the same day for submission to the Führer. The covering note (8035 E577876) is marked: "The Chancellor is informed. L[ammers], Nov. 13."

No. 311

7828/E568694-95

The Embassy in Great Britain to the Foreign Ministry

Telegram

No. 306 of November 8

LONDON, November 8, 1934—10:00 p.m.

Received November 9—3:30 a.m.

II SG.7459.

The Commissioner for Disarmament Questions¹ has asked me to transmit the following telegram in cipher:

For the Reich Chancellor and the Foreign Minister.

During the Berlin visit² of the leader of the French ex-servicemen, a member of the French Parliamentary Committee for Foreign Affairs, Goy,³ promised to enquire of Marshal Pétain as to what data had convinced Pétain that a German Saar *Putsch* was contemplated and caused him to reinforce the frontier garrisons.

The upshot of the Pétain-Goy conversation was as follows:

(1) The French General Staff measures are confined to increases in the contingents of recruits.

(2) The allegedly very vague reasons which prompted France to do this were reports from Saar Frenchmen, according to which the temper and spirit of the SA in the Saar frontier areas were such that a *coup* was to be expected.

(3) Pétain has charged Goy to inform me that he could make the same statement, on his word of honour, as the Reich Chancellor had made to the French ex-servicemen on behalf of Germany, that is to say, that there was no question of a forcible intervention in the Saar by France either, as long as the plebiscite proceeded lawfully.

(4) Goy has informed Pétain that, in view of the profound impression the Chancellor's statements have made and of the confidence established during the Berlin visit, the French ex-servicemen's associations will in future campaign for German-French understanding and a loyal settlement of the Saar question.

¹ i.e., Ribbentrop.

² See document No. 321.

³ Jean Goy, Deputy for the Seine *Département*.

At the same time ex-serviceman Monnier⁴ has spoken to Laval, who gave him the same information.

With regard to the German protest against the legality of using French troops at the request of Knox, I shall try in the course of this week to obtain the support of the ex-servicemen for our cause.

I have learned that three members of the Stahlhelm have just arrived in Paris to contact the ex-servicemen. I would request that they be recalled by the leaders of the Stahlhelm, as any parallel initiative would be a great hindrance.⁵

RIBBENTROP

End of telegram.

HOESCH

⁴ Robert Monnier, member of the Paris City Council.

⁵ Marginal note on another copy (3058/609829-30): "According to information from Seldte, the visit of *one* member of the Stahlhelm to Paris is correct and has been discussed here. v. N[eurath], Nov. 9."

No. 312

3015/596298-300

Memorandum by the Foreign Minister

BERLIN, November 8, 1934.

RM 1253.

Yesterday evening the Lithuanian Minister called on me, in order, he said, to announce his return after his long leave and to talk about German-Lithuanian relations. With reference to this, I said to M. Šaulys that he would certainly have noticed that, during his absence, they had undergone a considerable deterioration. The continuous violation of the Memel Statute¹ by the Lithuanian Government and their de-Germanizing policy had created a very serious situation. I must tell him quite frankly that I did not understand the Lithuanian Government's policy in this respect; and even from the Lithuanian standpoint I considered it to be dangerous and mistaken. M. Šaulys at first admitted that he, personally, was not in agreement with all the measures of his Government. He attempted, however, to explain their conduct as due to acts of provocation by German groups in the Memel Territory, whose aim was the reintegration of Memel into the Reich. He spoke in this connexion of influence emanating from certain places in East Prussia which had become apparent in the Memel Territory, and about Memellanders depending on the National Socialist leadership in East Prussia. This I disputed. Nevertheless M. Šaulys stated that his Government had sufficient proof of the accuracy of these statements and that this evidence would be produced during the

¹ See Editors' Note, p. 137.

legal proceedings which would shortly take place. M. Šaulys then made complaints about the Consulate General, which I emphatically rejected. M. Šaulys maintained that his Government possessed important evidence on these charges too. When the Minister then enquired how relations might be improved, I told him that after his statements I could see, at present, no possibility of such improvement, welcome as it would be. In any case it would first be necessary to await the conclusion of the legal proceedings. It was up to his Government so to conduct the trial as not to provide fresh occasion for a further deterioration in German-Lithuanian relations.

M. Šaulys then cautiously proceeded to speak of the possibility of a non-aggression pact or a mutual declaration such as we had made with Poland. I did not pursue this subject but instead only said that as long as we did not know how the Lithuanian Government would conduct the proceedings against Neumann² and others, I saw no purpose in any discussion on improving German-Lithuanian relations. It would in any case be a condition on our side that the persecution of Germans in the Memel Territory cease completely. I would welcome it if the Lithuanian Government would revert to the view that good neighbourly relations with Germany would, in the long run, be more to their interest than was their present conduct which arose from exaggerated nationalism.

V. N[EURATH]

² Dr. Ernst Neumann and other National Socialist leaders had been arrested in February 1934.

No. 313

9171/E644973-74

Memorandum by the Director of Department VI

MOST URGENT

BERLIN, November 8, 1934.

VI A 4849.

The authoritative representatives of the German minority in Poland having recently reverted to the idea of a bilateral treaty between Poland and Germany¹ for the protection of minorities, the whole problem of the protection of the German minority in Poland, raised by the Polish *démarche* in Geneva,² was thoroughly discussed by all officials concerned, in the presence of Ambassador von Moltke and the State Secretary.

There was general agreement that, for various reasons, Germany

¹ In a memorandum of Sept. 7 (9171/E644945-46), Roediger recorded that Count Schwerin-Schwanenfeld (a leader of the German minority in Poland) had come to see him about such a proposal.

² See document No. 210.

was not interested in the conclusion of a bilateral treaty with Poland for the protection of minorities:

(1) It was scarcely possible to find any formula which would prevent a bilateral treaty from being interpreted as a renunciation by Germany of the territories ceded to Poland;

(2) only a treaty which provided for a neutral court of arbitration to investigate the complaints of the minority would be acceptable to us;

(3) even if a definitive treaty existed, it must be taken into account that the Poles would demand from Germany the complete fulfilment of the treaty, but would themselves, despite the existence of contractual obligations, continue to deprive the German minorities of their national character [*Entnationalisierung*].

On the other hand there was complete agreement that we could not accept the Polish *démarche* in silence, because silence was bound to be regarded by Poland and the whole world as a political renunciation by Germany of the concessions in the ceded territories allowed her by the Protection of Minorities Treaty.³

The possibility was discussed therefore of finding a way by which we could both maintain our position and, on the other hand, take some positive action *vis-à-vis* the Polish Government on behalf of the German minorities which are very hard pressed. The result of these consultations is contained in the enclosed draft instructions to Ambassador von Moltke.⁴ We hope with this first step to ensure that by recognizing the Polish Government [*démarche*] albeit tacitly, we will establish our right in future to bring up the complaints of the German minority in Poland for discussion with the Polish Government as circumstances dictate, and, if necessary, at regular intervals.

In view of the great importance of the principles involved in the matter, and in order to ensure uniform treatment of the minorities question by all German authorities concerned, it would appear necessary to obtain the Führer and Chancellor's approval of the instructions before their despatch.

If you are in agreement I would be grateful if you would obtain approval.⁵ It would appear necessary for the Ambassador to make the *démarche* as soon as possible.

Submitted herewith through the State Secretary to the Foreign Minister.

ST[IEVE]

³ See document No. 8, footnote 6.

⁴ Document No. 325.

⁵ Marginal note: "Approved by the Führer. v. N[eurath], Nov. 14."

No. 314

7828/E568702-05

The Ambassador in Great Britain to the Foreign Ministry

Telegram

No. 308 of November 9

LONDON, November 9, 1934—9:55 p.m.

Received November 10—1:00 a.m.

II SG.7471.

With reference to your despatch II SG.7275¹ of November 5 and your telegrams Nos. 329,² 331³ and 332.⁴

I have informed Sir John Simon, in the manner prescribed in the above-mentioned despatch, of our protest about the possibility of French troops entering the Saar. At the same time I communicated the substance of your instructions of November 5⁵ to the Ambassador in Paris and expressed our surprise that the British Government would in certain circumstances obviously regard the calling in of French troops as legitimate and that they had apparently approved the French intentions and measures in principle. Furthermore, I once again made the import of the Bürckel decree⁶ quite clear and emphasized that it was by no means only by this decree that the threats to peace in the Saar had been removed. On the contrary, as was shown by the fact that peace had never been seriously disturbed in the Saar such dangers had never existed and did not exist now. I gave a particularly full explanation of the passage from the instructions to Paris which deals with the legal aspect of the cessation of the French occupation, and left it with the Foreign Secretary in an informal memorandum. Lastly, I also drew Simon's attention to the Poliakov and Pertinax reports dealt with in telegram No. 332 and asked for an explanation. Finally, I enquired about the conversation between Corbin and Simon on October 30, making careful use of your telegram No. 331, and remarked that there was a rumour that in this conversation a kind of agreement had been reached between Britain and France regarding possible French intentions of sending in troops.

The Foreign Secretary paid the fullest attention to my statements.

¹ See document No. 297, footnote 1.

² See document No. 306, footnote 2.

³ Not printed (7828/E568687-88); this telegram of Nov. 8, which was sent to Paris as No. 593, conveyed the information indicated in the document here printed, and stated that it derived from secret British and French sources.

⁴ Not printed (7828/E568681-82); in this telegram of Nov. 8, Bülow drew attention to an article by Pertinax in the *Echo de Paris* of Nov. 7 (M27/M000896) which quoted an article by Augur (Vladimir Poliakov) and suggested that the British Cabinet had encouraged the French Government to expedite their measures. Hoesch was instructed to raise the matter with Simon.

⁵ Document No. 297.

⁶ See also document No. 297 and footnote 5 thereto.

In particular he had me explain all the details of the legal situation and then remarked that the legal situation had not been put to him in this way but that he would arrange to have our information studied at once. He reiterated time and again that the British Government considered their sole task to lie in ensuring a fair and undisturbed plebiscite, and they were of the opinion that the difficult problem of winding up [the régime], which must be settled according to the outcome of the plebiscite, would have to be shelved until the results of the plebiscite became available. Britain, he said, was an impartial watchman over the correct execution of the treaty provisions and must therefore not take sides openly, as otherwise this would impair her opportunities of exerting influence. The British Government's one objective was to see that the idea of any kind of measures from outside for maintaining order would remain altogether out of the question, and for this reason the last thing they desired was a French occupation.

With regard to the reports I had mentioned of an alleged British-French understanding concerning a projected French incursion, he would first of all like to state that he himself had not once spoken about such questions at Geneva this autumn. After his departure from Geneva the question had certainly been raised as to what would have to be done if for some reason or other peace in the Saar should be seriously disturbed. He was convinced, however, that Eden, who had afterwards deputed for him, had not entered into any agreements with France of the type in question. Nevertheless, he would like to clear matters up completely, as he wished to dispel all thought of any secret treating with either side and would therefore immediately read out to me his memorandum on his conversation with the French Ambassador on October 30. This memorandum, which he had brought to him at once, runs somewhat as follows:

"The French Ambassador informed me that the French Government had drawn up a plan on how they should accede to a possible call for military assistance in the Saar Territory. I replied that the British Government urgently desired that all such eventualities should be avoided and that the plebiscite should take place in a peaceful and orderly manner without any interference from outside. The attitude of the British Government was to the effect that they regarded it as their sole task to ensure the orderly progress of the plebiscite." The memorandum contains neither a specific acknowledgment of any right to call in French troops nor even approval of Corbin's statements on the existence of such a plan, but certainly no direct rejection either. I should like to draw attention to the fact that, in any case, Simon's statement in the House of Commons on November 5⁷ contains no such specific approval either, although this has been avoided only very

⁷ See document No. 297, footnote 6.

narrowly and with much care. Simon rejected the idea of encouraging a French incursion should occasion arise.

The impression I have gained from my conversations with MacDonald⁸ and Simon is that the British Government reject the idea of a possible French occupation of the Saar. But they are reluctant to inform France bluntly of this, because, on the one hand, they are afraid of losing their influence over the French Government by adopting an attitude which could be construed in Paris as anti-French; on the other, they are impressed by the question, which is clearly worrying them, as to what would in fact happen if disturbances should break out in the Saar after all. If there were no other way out, they would presumably prefer that the French incursion, which would then in any case be imminent, should be effected under a quasi-legal label rather than that it should take the form of independent French action with all the particularly dangerous consequences which could arise. We may, in any case, rest assured that everything possible will be done here to prevent French intervention. It seems doubtful, however, whether the British Government can be induced to proclaim clearly the illegality of any calling in of French troops.

HOESCH

⁸ In telegram No. 297 of Nov. 1 (7828/E568606-07) Hoesch reported that he had urged MacDonald to use his influence with Knox to prevent any occupation of territory by France.

No. 315

7947/E573432-33

The State Secretary to the Embassy in Italy

Telegram

No. 318

BERLIN, November 9, 1934—10:30 p.m.

zu II SG.7384.¹

7385.²

With reference to your telegrams Nos. 255¹ and 256.²

1) We are in agreement with paragraphs 1, 2 and 4 of the Bürckel-Voigt proposals contained in telegram No. 256.

2) Re paragraph 3, mines question: We adhere to the view that negotiations on the repurchase of the mines can only take place after the plebiscite. We are prepared, however, in order to ease the situation at your end and to meet Aloisi's wishes, to name our experts, in accordance with Paragraph 36 of the Saar Statute,³ for the assessment

¹ Not printed (7947/E573426-28); in this telegram of Nov. 7 Hassell reported on Voigt's discussions with Biancheri on the guarantee question and with Tumedei on financial problems (see also document No. 309, footnote 6).

² Document No. 309.

³ See Editors' Note, p. 229.

of the value of the mines, if in the negotiations at your end it is proposed by the other side to initiate this procedure promptly.

3) Re paragraph 5, financial questions: Geheimrat Vocke of the Reichsbank and Ministerialrat Freiherr von Mahs of the Reich Ministry of Economics will be available in Rome from Thursday of next week.⁴ For your information only: The first task of these two gentlemen will be to find out whether, within the framework of the negotiations of the Committee of Three, the French Government can be induced to seek a practical commercial solution of the credit difficulties at present prevailing in the Saar.

Further information on this point follows.

BÜLOW

⁴ i.e., Nov. 15.

No. 316

9272/E657747-54

Circular of the Foreign Ministry¹

IMMEDIATE

BERLIN, November 9, 1934.

PRIORITY

e.o. W 9974.

With reference to our circular W 7167 of August 20, 1934.²

German trade policy during the last few months, even more than in the preceding period, was governed by our foreign exchange policy. Customs questions receded completely into the background; import quotas and monopoly allocations were dealt with almost exclusively from the aspect of transfer possibilities. In the all-important foreign exchange problem three groups of questions have come to the forefront, namely the working of existing clearing agreements, the question of outstanding commercial debts and the question of the possibilities of obtaining raw materials against credits.

I. The working of the Clearing Agreements

Since our circular of August 20 was sent out, further clearing agreements have been concluded with Belgium, Sweden, Holland, Italy, Norway and Finland. Where so-called payments agreements had existed with these countries (see circular W 7167 of August 20, section I, paragraph 2), they have been absorbed by the new clearing agreements. The coming into force of the "New Plan"³ did not, for the time being, affect these new clearing agreements. It was decided first to await the effect of the clearing agreements before starting to adjust these to

¹ Addressees were all Missions with the exception of the Embassy to the Holy See, and all Consulates General.

² Document No. 169.

³ See documents Nos. 175 and 207.

the "New Plan" by negotiations with the other parties to the treaties. Previous experience with the clearing agreements has shown that in nearly all instances these agreements need to be revised. In one case, for various reasons (abnormal imports during the three September weeks before the "New Plan" was put into force, diminishing purchasing power in the countries of the gold bloc, transfer of German imports from present supplier countries to countries which have concluded clearing agreements, etc. etc.) they have led not only to a decline in German exports but, as a result of a simultaneous rise in imports, to a complete reversal of the hitherto prevailing trade balance. This extreme case arose under the German-French clearing agreement,⁴ with the result that a substantial part of French exports to Germany could not be paid for, as there were not enough countervailing proceeds from German exports to France. In our relations with Switzerland there has been no such reversal of the trade balance, but here, too, there has been a steep decline in German exports, whereas Swiss exports to Germany have risen. But where no such changes have occurred these clearing agreements have not made the Reichsbank's already difficult foreign exchange position any easier, since the flow of foreign exchange from these countries to the Reichsbank has almost completely ceased because of the clearing system. The point has now been reached where apart from pounds and dollars the Reichsbank can no longer count on obtaining any substantial amounts of foreign exchange in other foreign currencies, since the disposable amounts laid down in the various agreements do not, in proportion to the foreign exchange requirements of the Reichsbank, yield sufficient proceeds for the discharge of other liabilities. These disadvantageous effects of the clearing agreements signed hitherto were also the decisive reason why a new course was taken in the negotiations just concluded with Britain.⁵ Indeed, the British Government would have been prepared to make available to the Reichsbank through a clearing agreement with Germany a proportionally higher disposable amount than had been the case in clearing agreements concluded previously [by Germany] with other States. However, the consequences of the shortage in sterling receipts which was to be expected from a German-British clearing agreement seemed so far-reaching that the German Government decided, despite serious misgivings, to risk a settlement of German-British payment transactions without a clearing. The basis of the new German-British payments agreement is to guarantee, even without a clearing, current British exports to Germany by setting off against these the foreign exchange proceeds from German exports to Britain which the Reichsbank receives. Whether this new type of

⁴ See document No. 9, footnote 2.

⁵ An Anglo-German Payments Agreement was concluded on Nov. 1. See document No. 278, footnote 5.

treaty will prove successful depends primarily on how far the actual foreign exchange earnings of German exports to Britain balance the amounts of foreign exchange which, according to trade statistics, the Reichsbank should receive and of which 55 per cent are set aside for the payment of British exports to Germany. A further important innovation in the German-British agreement is the legal recognition of the "New Plan" contained therein, that the British Government grant the German Government the right to restrict the issue of foreign exchange permits for payment of British exports to Germany, if German exports to Britain do not yield the foreign currency required for this on a corresponding scale.

II. *Overdue German commercial debts*

The accumulation of further overdue debts arising out of foreign imports will be prevented under the "New Plan". The Plan however makes no provision for the payment of such German debts as had become overdue as a result of the foreign exchange shortage before the Plan was put into force. The accrued German commercial debts have during the last few months proved a more and more dangerous burden in all of Germany's trade relations with foreign countries. Consequently they have also played an important part in all negotiations to date. It has been possible in the negotiations with Britain to reach a comparatively acceptable settlement of this question. On the other hand, the arrangement laid down in the German-Netherlands clearing agreement proved of such little satisfaction to the Dutch creditors that the Netherlands Government felt compelled as early as November 2 to terminate the clearing agreement which was concluded on August 28 [sic].⁶ Whether it will be possible to enter into a new contractual arrangement in its place or whether the Netherlands Government will perhaps try by unilateral action to ensure a speedy satisfaction of the Dutch creditors cannot be judged yet.

III. *The question of credits for the purchase of raw materials*

Although the possibilities of obtaining larger quantities of raw materials against concurrent credits have diminished owing to the present foreign exchange situation and in view of the transfer moratorium announced by the German Government during the past year, yet the need of the producer countries, which are seriously suffering from the crisis, to sell their products is so great that certain opportunities still exist in this field. To what extent such opportunities should be exploited in practice is by no means as simple a question as it may appear at first sight. In view of Germany's still very considerable financial indebtedness to foreign countries, there are very serious

⁶ The agreement denounced on Nov. 2 was the German-Netherlands Clearing Agreement of Sept. 21, 1934. See document No. 250, footnote 5.

objections to entering into fresh commitments, even if only for the purpose of keeping the German production machine fully employed. It must be considered in each single case whether the disadvantages arising out of an increase in Germany's liabilities do not outweigh the advantages derived for the moment from such a credit for raw materials. For this reason, the competent authorities have so far only agreed to those raw material credits, whose *early* repayment would seem to be guaranteed not by foreign exchange but by additional German exports. German circles, in particular, have in this connexion always made it a point that the credit should be for a relatively short term (at the outside up to one year), so as to compel the creditor to effect speedily the agreed repayment of the credit in the form of imports from Germany. Experience has shown that the acceptance of additional German exports can only be enforced by such short-term credits, while in the case of long-term credits the creditor will try, and this successfully, to obtain payment in the form of normal German exports and to push the additional exports, which are so necessary from the German point of view, into the background.

By order:
RITTER

No. 317

7823/E567370-71

The Ambassador in Italy to the Foreign Ministry

I 1246

ROME, November 9, 1934.

Received November 10.

II Oe. 3137.

Subject: Signor Suvich's views on the attitude of Germany and Italy to the Austrian problem.

During a conversation on the political situation Signor Suvich once again referred to the Austrian question and said that it was clear that the atmosphere had continued to improve. I reminded him of all I had told him as regards our attitude and asked him whether he did not agree that we were in fact adhering to the principle of non-intervention. He agreed, whereupon I replied that this being so I found it difficult to imagine what more we could do since we had really done everything that it was possible to do. Signor Suvich then explained that, in the interests of ridding German-Italian relations of this bugbear, he considered it to be important, somehow or other, to reinsure the gratifyingly peaceful state of affairs. We were now taking every opportunity of emphasizing that the *Anschluss* no longer came into question for us, but he could understand that we would not wish to bind ourselves for ever. Perhaps it would be possible for us to extri-

cate ourselves from this dilemma if the Powers concerned were to conclude a kind of guarantee treaty which would ensure Austria's independence and oblige the contracting Powers to refrain from interfering in Austria's internal affairs and not to tolerate any move directed against Austria's independence. One could of course not say that one was only giving this guarantee for a limited period of time, but it was conceivable that this treaty, like other treaties, would be concluded for a certain number of years only, which would produce virtually the same result. I objected that nothing had made it more difficult to take this course than the well-known Three Power Declaration,¹ in that no one had asked us to participate either in the discussions or in the outcome, and that the circumstances in which the Declaration had been signed suggested that it was basically directed against us. Signor Suvich replied that the Declaration had come into being in Geneva where, as was known, we were not represented, and that, for the rest, what mattered was the substance of the Declaration and not the accompanying circumstances which had meanwhile become a thing of the past and so were irrelevant; and the substance of the Declaration was in no way directed against us. In conclusion I remarked that of course I, too, hoped fervently that the Austrian question would no longer in any way continue to be an obstacle in the path of German-Italian cooperation; whether anything more could be done about this, and if so what, would have to be given further consideration.

This fresh suggestion by Suvich accords with the views expressed on various occasions by Baron Aloisi,² by Mussolini,³ and by Suvich⁴ himself as well as by Kánya⁵ and Gömbös.⁶ I respectfully submit that you should consider this latest suggestion too and should let me have your instructions as soon as possible.⁷

HASSELL

¹ See document No. 230, footnote 8.

² See document No. 241.

³ See document No. 266.

⁴ See document No. 230.

⁵ See document No. 266, footnote 3.

⁶ See documents Nos. 296 and 310.

⁷ Marginal note: "The instructions can only be to the effect that even Signor Suvich will not cause us to change our attitude. v. N[eurath], Nov. 12." A note to Köpke of Nov. 12 (7824/E567411) by Bülow reads: "I think Hassell's reply to Suvich was very lame. I should have asked: What is 'interference in Austria's internal affairs'? Subsidizing the Heimwehr? Troop concentrations on the border? Political conditions attached to loans etc.?" No instructions to Hassell have been found.

No. 318

7947/E573457-61

The Ambassador in Italy to the Foreign Ministry

I 1250

ROME, November 9, 1934.

Received November 10.

II SG.7500.

Subject: The meeting in Rome of the Committee of Three for the Preparation of the Plebiscite in the Saar Territory.

With reference to my telegram No. 261 of November 9.¹

The Committee of Three for the Preparation of the Plebiscite in the Saar Territory met in the Foreign Ministry on November 6 under the chairmanship of Ambassador Aloisi. After the first meeting a brief communiqué was issued, the text of which is attached,² outlining the Committee's general terms of reference, its activities so far and the purpose of the Rome meeting. The latter was summarized to the effect that the Committee was to examine the results of the *démarches* made with the Governments concerned, and of the preparatory studies, as well as to draw up definite proposals, which were to be submitted in a comprehensive report to the League of Nations Council at its next meeting. On November 8, Knox, the Chairman of the Governing Commission, who had arrived in Rome on November 7, gave the Committee a report on the situation in the Saar. According to the official communiqué on this meeting Knox stated that so far public order in the Saar had certainly not been disturbed, but the Governing Commission was, within the limits of its powers, particularly concerned to reinforce the police. The economic situation was particularly delicate at the moment as businessmen were encountering difficulties in obtaining short-term credits on the eve of the plebiscite. I have today reported by telegram¹ further details discussed at this meeting on the basis of information received from Aloisi.

Gauleiter Bürckel, the Reich Chancellor's Saar Plenipotentiary, arrived by air on November 5. There arrived at the same time a delegation from leading organizations and business circles in the Saar, amongst others Karcher, the President of the Chamber of Commerce, and Kommerzienrat Röchling who wished to explain to the Committee of Three the economic situation and, primarily, the difficulties arising from the clearing procedure. Senior Counsellor Voigt arrived on November 5. The Saar Plenipotentiary and Herr Voigt were received by Aloisi in my presence on November 6, shortly before the opening session of the Committee of Three began. The attached memorandum

¹ Not printed (7828/E568691-92).

² Not printed (7947/E573464).

furnishes information on the course the conversation took.³ In addition, I refer you to my reports by telegram and by despatch.⁴ Herr Voigt had a lengthy discussion⁵ with Tumedei, the Italian financial expert, on the same day and several conversations with Biancheri from time to time.⁶ Aloisi received the trade delegation from the Saar on the afternoon of November 6. There is no special report from the delegation on this. According to statements by Röchling, Aloisi received the representatives very cordially, but otherwise confined himself to receiving the report. The delegates also had a conversation with Biancheri.

Some of the delegates were received by the Cardinal Secretary of State, Pacelli.

As far as is possible to judge yet, the conversations within the Committee are proceeding in an objective manner; Aloisi seems particularly to be directing his efforts towards preparations for an objective settlement of the various issues. The sending of the Saar Plenipotentiary, whose statements on the *émigré* question were received with great interest, and of Geheimrat Voigt has, as a demonstration of our preparedness to cooperate in finding a solution of the main problems outstanding, made as favourable an impression on the Italians as did our objective approach to various important items on the agenda. Should the request for the sending of a German financial expert, which has been made repeatedly and most emphatically, be met after all, such conciliatory action would certainly influence the general mood of the Committee in our favour. The conversations are expected to finish on November 10 but a final decision is still outstanding.

I have learned from the Foreign Ministry that Mussolini wishes the Saar problem dealt with in a strictly objective manner and has instructed Aloisi and his colleagues accordingly. The press has also been ordered to confine itself absolutely to objective reporting and to refrain from publishing any sensational reports or biased comment. I am reporting separately on the attitude of the press.⁷

In assessing the legal aspect of the admissibility of calling in foreign (that is to say, French) troops in case of serious disturbances of public order, the French proposition is generally accepted by the Foreign Ministry. Opinions differ as to whether the Governing Commission alone is able to decide whether adequate cause exists, and, on its own authority, appeal to the Government concerned, or whether it must, in the first place, obtain a decision from the League of Nations. Apparently the former view is being very strongly canvassed and the argument is being

³ Not printed (7949/E573462-63); see also document No. 299.

⁴ See documents Nos. 299 and 309; Voigt also reported in despatches of Nov. 6 (7947/E573449-51), Nov. 7 (7947/E573452-56) and Nov. 9 (7947/E573477-84).

⁵ Reported in telegram No. 255 of Nov. 7; see document No. 315, footnote 1.

⁶ See footnote 5 above.

⁷ In report I 1252 of Nov. 9 (M40/M001068-89).

put forward that the approval of the League of Nations Council could be given subsequently if a serious threat to internal order suddenly arose. At any rate, we are again assured that neither here nor in London has any official or semi-official approach been made by the French Government in the matter. The British are said recently once again to have summarized the views of their Government to the effect that in London, where a German victory in the plebiscite is definitely expected, an early and *final* solution of the Saar problem is urgently desired so as to eliminate this dangerous hotbed of trouble for Europe as quickly as possible.

As far as France's attitude is concerned, it is still not thought even today that there will be any armed intervention before the plebiscite unless incidents attributable to German instigation were to offer a favourable pretext for creating a *fait accompli*. The most important requirement is therefore to avoid such incidents and from this point of view the well-known order⁸ by the Saar Plenipotentiary is especially welcome. The French threat to intervene is described as a serious tactical error which has improved Germany's position considerably and of which the only possible explanation could be the desire to produce a favourable breeding-ground for serious incidents by creating a highly charged atmosphere such as usually develops under the threat of a military incursion. The emphasis of the French plan of operations is held to lie on the period *after* the plebiscite. Even now a comprehensive dossier is said to be in preparation, with the aid of which it is intended to contest the legality of the plebiscite. Three arguments, substantiated by ample documentary evidence, will be mainly relied on, namely, prevention by Germany of an impartial plebiscite, refusal of adequate guarantees for the opponents of the German solution and falsification of the electoral lists. The aim of these tactics is to ensure a second plebiscite. At the same time is the propaganda campaign for the *status quo* which is also being conducted with all possible means, especially in the economic field. In the last resort efforts are already being made in various capitals, but primarily also in the country itself, to create sympathy for the "*pourcentage*", the ceding to France of certain parts of the Territory with only a small German majority.

HASSELL

⁸ See document No. 297, footnote 5.

No. 319

6064/E448688-92

The Minister in Yugoslavia to the Foreign Ministry

2456 Po. 2

BELGRADE, November 9, 1934.

Received November 12.

II Balk. 2714 Js.

POLITICAL REPORT

Subject: Audience with the Prince Regent.

In order to establish contact with Prince Regent Paul I requested an audience a few days ago. This was granted yesterday and it gave me the opportunity of having almost an hour's conversation with him. It was quite obvious in the course of the conversation that the Prince Regent was most anxious to express his gratitude for Germany's behaviour after King Alexander's death. This he did repeatedly and in the warmest terms.

I began the conversation by stating that I had been able to gather from remarks made to me that all the members of the German Delegation who had attended the funeral ceremonies, in particular Minister President Göring,¹ had left Belgrade with extraordinarily profound feelings of sympathy. They had been very much moved by the unforgettable spectacle of the close bond between the Yugoslav people and the late King which they had everywhere observed. Moreover, the exemplary organization of the ceremonies had won their highest admiration, and the friendly reception accorded them here had evoked their warm gratitude.

The Prince Regent replied that it was indeed difficult for him to express in words the satisfaction and the deep gratitude which the Yugoslav people, and he himself, had felt for Germany's attitude on this occasion. This attitude had been "simply perfect" (as he expressed it himself in English). The same could also be said of the attitude adopted by German official quarters, as well as by the German press, which he had followed carefully. He could only say that if in such sad times one could speak of consolation at all, then Germany's attitude towards the grief of the Yugoslav people had been a very great consolation to him. In the course of my duties here I must surely have frequently had the opportunity of observing the cordiality the people here felt for Germany. No trace of hatred had been left by the war but only admiration for the heroism of the German soldier and the efficiency and justness of the German officer. As to his own attitude towards Germany, there was no need for him to dilate on it. I knew,

¹ See document No. 263.

of course, how often and with what pleasure he had visited Germany. It was a painful thought for him that in his present position he would for lack of time in future no longer be able to visit Germany, and above all his beloved Bavaria, as frequently as hitherto. He had always had the greatest understanding for the new Germany and the aims of the Führer and Chancellor, and even during his last stay in Bavaria it had given him great pleasure to see what unbounded trust the Führer personally enjoyed amongst all sections of the people.

The Prince Regent then went on to speak of the profound impression made on him by the fascinating personality of Minister President Göring. He had regretted very much that for want of time during those troubled days he had not had more opportunity of talking to Minister President Göring. Nevertheless, he had been able to have almost an hour's conversation with him. This conversation had at once brought to light many points of contact and common interest, and he still recollected that talk with great pleasure.

The Prince Regent then asked me about Germany's present position with regard to foreign policy. I replied that everything in Germany was today overshadowed by the Saar² question, and by the thought of the unpredictable complications which might arise from France's incomprehensible attitude to this question. I then took the opportunity of explaining to the Prince Regent in detail Germany's views on this question. The Prince Regent listened very attentively to what I had to say. Admittedly he himself expressed no opinion on the problem, but he also refrained from any attempt to justify the French attitude. It was characteristic of his own political attitude that shortly afterwards he expressed the opinion that one of the most important aims of German policy must be to establish close and confidential relations with Britain. He was well aware of the difficulties which existed in this respect. Above all, he was fully aware of the power of the Jews and their great influence in the shaping of public opinion in Britain. When he was showing the Duke of Kent³ round Munich recently for the first time, the Duke had been most enthusiastic about all he had seen there, and had himself admitted that he had gained a completely false impression of conditions in Germany from the British press.

Subsequently, the Prince Regent came to speak of the economic situation in Germany. I told him that no one in Germany was blind to the seriousness of the situation, but no one doubted that the powerful rulers of the Germany of today would be able to overcome all difficulties. As an example of the determination with which we tackled such diffi-

² This refers to the difficulties preceding the Saar Plebiscite, which was held on Jan. 13, 1935.

³ No material on this has been found in the Foreign Ministry archives.

culties nowadays, I gave the Prince Regent a description of the organization and execution of the Winter Relief Work [*Winterhilfswerk*].

At the end of the conversation the Prince Regent once again expressed his feelings of gratitude to and sympathetic understanding for Germany, and told me that I might appeal to him with confidence should I at any time encounter difficulties in the course of my duties here. He would always be happy to receive me and give me help.

The conversation was conducted partly in German and partly in English. The Prince Regent has a perfect command of German but likes to lapse into English whenever the conversation becomes animated.

I should be most grateful if this report could be treated as strictly confidential.⁴

HEEREN

⁴ The document is marked: "The Chancellor is informed. L[ammers], Nov. 16."

No. 320

7828/E568696-99

The Ambassador in France to the Foreign Ministry

Telegram

URGENT

No. 1428 of November 9

PARIS, November 10, 1934 [—1:30 a.m.]¹

Received November 10—3:05 a.m.

II SG.7470.

In today's conversation with Laval, at which he had asked the Secretary General to be present, I drew attention, pursuant to your instructions of November 5,² to the Havas communiqué of October 31,³ which was based on false legal premises, to the many resolutions passed by the Council from 1920 to 1930 which contradicted the views of the French Government on the point of the right to send in troops, especially to the misinterpretation of the resolution of March 18, 1926, and to President Rault's assumption of rights not his.⁴ Furthermore, I termed the French attitude a most regrettable symptom of the way in which France thought she could apply double standards when German interests were involved. I also said that the Barthou Memorandum⁵ was an extremely unfavourable testimonial to France's loyalty in the matter of the Saar; it contained hidden promises, such as a liberal régime and economic advantages, which had nothing to do with a solution serving the interests of the Saar population and aimed only at influencing the Saar population in their attachment to their old Father-

¹ Taken from the Paris draft (M31/M000959-63).

² Document No. 297.

³ See document No. 290, footnote 4.

⁴ See document No. 297, footnote 8.

⁵ See document No. 206, footnote 1.

land. The economic boycott with which French politicians threatened had the same aim. In reply to my statements, which received the full attention of both gentlemen, the Foreign Minister said that the answer to the legal objections I had raised came within the competence of the League of Nations and that they should not be addressed so much to France as to the League of Nations. At any rate, he found that France and Germany held different views on the interpretation of the well-known resolutions of the League of Nations Council. The Saar Statute had been laid down under the Versailles Treaty and the application of the treaty provisions was subject to the League of Nations Council. It was therefore the Council's task to decide which of the two interpretations, the French or the German, was correct, especially in so far as they concerned intervention in the Saar by French troops. The Foreign Minister further stated that he had already during his last conversation⁶ with me frequently expressed the desire and hope that there would be no occasion whatever for having to have recourse to the police or to any other auxiliary forces for the maintenance of peace in the Saar. Should occasion unfortunately arise, however, he could only reiterate that France had not the slightest desire to assume the rôle of police. That was why he had already informed me during our last conversation that he would make a fresh appeal to the members of the Council at the next Council meeting, in particular to the British and Italian Governments, to make police forces available for the maintenance of order if necessary. He was filled with anxiety lest, if all the members of the League of Nations refused to do this, France should be compelled to help out with police forces in order to ensure the safety of her officials serving there. He feared that in that case it might become necessary to . . . (group missing "have recourse") to the army for performing police duties, especially in view of the small number of French policemen, which was hardly adequate even for domestic purposes.

I did not leave the Foreign Minister in the slightest doubt that I must categorically reject this assumption, even though it was purely theoretical. I said I had already told him during our first conversation that any employment of troops in the Saar would constitute a flagrant violation of German soil. If the police forces stationed in the Saar were at any given moment not sufficient, which I could hardly imagine happening in practice, the Council would simply have to arrange for members of the League of Nations to make further police units available, in which event we could in no circumstances regard members of the army as police. In conclusion the Foreign Minister stated that this entire question was primarily the concern of the League of Nations Council and he could assure me that France undertook not to do any-

⁶ See document No. 307.

thing which would run counter to the international obligations she had assumed.

The Foreign Minister then expressed regret that so far there had been no opportunity of bringing about a discussion between the two Governments on various questions concerning the Saar. He regretted particularly that, according to reports submitted to him, the negotiations in Rome were not making any progress. I told the Minister in reply that I had no information on the result of the Rome negotiations. As far as an exchange of views between the two Governments was concerned, we, for our part, had never rejected a direct exchange of views. I could not conceal from him, however, that Barthou's Saar Memorandum had made the atmosphere very much worse and had very largely destroyed any possibility of a direct exchange of views. The French Government had therefore achieved with their Memorandum the exact opposite of what the Foreign Minister was suggesting today. The Foreign Minister asked me whether I thought that there was still a chance of discussing the various questions, especially mines. I replied that I was prepared to receive his suggestions and pass them on.

The Foreign Minister took this opportunity to show me a telegram which had just arrived from Rome and according to which official circles were in possession of a statement by Minister President Göring to the effect that the German Government were prepared to repurchase the Saar mines for one thousand million.⁷

Towards the end of the conversation the Foreign Minister reverted to the threats of an economic boycott made by French politicians and of which he knew nothing. I said I would be prepared to let him have the data on this.

The Foreign Minister concluded the conversation once again with the remark that the German Government were aware of his attitude to the Saar question and its effect on German-French relations and that he sincerely hoped this problem would be settled in such a way as to create a foundation on which to consolidate mutual relations.

KÖSTER

⁷ In telegram No. 605 of Nov. 10 (7953/E574268) Bülow authorized Köster to tell Laval at the next opportunity that there was no foundation whatsoever for this report from Rome.

No. 321

5717/H024447-49

Memorandum by an Official of Department II

BERLIN, November 12, 1934.
e.o. II Fr. 3750.

Today the Director of the National Socialist Welfare Organization for the War Disabled [*N.S. Kriegsopferversorgung*], Herr Oberlindober,

accompanied by his adjutant Herr von Kossel and another member of his staff, called on Ministerialdirektor Köpke in order to report on his contact with the French ex-servicemen's organizations. He stated that he had recently been in Paris, where he had been in touch with leading personalities of the great French ex-servicemen's organizations, in particular with Deputy Jean Goy¹ of the Union Nationale des Anciens Combattants, M. Pichot and M. Cassin of the Union Fédérale and M. Monnier of the *Semaine du Combattant*. The main subject of the conversations with these gentlemen in Paris was naturally the Saar question, and the well-known themes (*émigrés*, the attitude of National Socialism to Catholicism etc.), were discussed. Herr Oberlindober explained how he had been able to put right a few misconceptions on these points. During his stay in Paris he had called at the Embassy and seen Counsellor of Embassy Forster. The Propaganda Ministry's Attaché at the Embassy, Herr Schmolz, had also taken part when he discussed with Herr Forster the contacts he had made in Paris with the ex-servicemen's organizations.

At the beginning of this month, Messieurs Monnier and Jean Goy and a secretary of M. Goy's had come on a return visit from Paris to Berlin, where the Führer and Chancellor received them.² He, Oberlindober, had then given the gentlemen a luncheon at which he had been able to ascertain that the Führer and Chancellor's remarks to the French gentlemen had made a strong impression on them. Colonel Reinhardt of the Kyffhäuserbund³ was also present at the luncheon.

He believed that the conversations in Paris and Berlin had contributed considerably towards creating relations of mutual confidence between the French ex-servicemen's organizations and the NSKOV. The French had expressed the desire for some form of union, also as regards organization, with the German ex-servicemen, which, however, would be difficult, as the NSKOV would not wish to join the CIAMAC⁴ and joining the FIDAC⁵ did not come into question as this was an inter-allied organization. The interest which the French were taking in a closer union with his organization was partly due to the fact that the NSKOV has at its disposal an equipment and powers which are by no means available to the same extent to the French organizations. For example, the central authority of the Federal Union in Paris is housed in a building which can only be described as a hut. At the same time, however, it also became clear that the French organizations desired to help, politically too, in reducing tension in German-French relations; thus there was put forward the idea that, before the Saar plebiscite,

¹ Deputy for the Seine *Département*.

² See also document No. 359, footnote 10.

³ Deutscher Reichskriegerbund Kyffhäuser, the federation of German ex-servicemen's organizations.

⁴ Conférence Internationale des Associations de Mutilés et d'Anciens Combattants.

⁵ Fédération Interalliée des Anciens Combattants.

the German and French ex-servicemen might put out a joint reassuring declaration. He had noticed, moreover, in the discussions he had had in Paris, that the great fear of Germany was quite obviously the determining element in the attitude of the French organizations and indeed of the French public towards us.

In conclusion Herr Oberlindober said he would like to remain in close contact with the Foreign Ministry, whereupon Ministerialdirektor Köpke promised him that the competent departments in the Ministry would be available at all times. In addition, Herr Oberlindober stated that it would be desirable for the various overtures made by existing organizations in Germany to those in France to be brought together under firm and uniform direction, whereupon Ministerialdirektor Köpke advised him to raise this question with the Führer or with Reich Minister Hess.

V. RINTELEN

No. 322

9588/E675769-73

The Minister in Rumania to the Foreign Ministry

4412-I A 4

BUCHAREST, November 12, 1934.

Received November 16.

II Balk. 2765 R.

Subject: Conversation with Titulescu on the general political situation in Europe and on German-Rumanian relations.

On November 12, Titulescu received me at his private residence. In the course of the conversation he stated the following:

Germany's relations with France stood at the centre of all European politics. This factor influenced significantly the relations of the various countries with Germany and with France, on the one hand, and, on the other hand, their relations with each other. At the meeting of the Little Entente¹ in Belgrade on the occasion of King Alexander's funeral, the French had told the representatives of the Little Entente that France desired a return of the Saar Territory to Germany, and that she would then be prepared to settle the financial questions arising from this on amicable terms. France expected the result of the plebiscite to be in Germany's favour. It was France's desire, in the interests of both countries, to reach an understanding with Germany after the Saar question had been settled. In reply to my remark that the general policy of France, especially on the Saar question, gave little

¹ See Editors' Note, p. 468.

indication of this will for an understanding, Titulescu said that the people in Germany had no conception of the fear of a German attack which prevailed in France. I reminded Titulescu of the repeated statements by the Führer and Chancellor, as well as of the many other official utterances by leading German statesmen, in which the desire to reach an understanding with France had been constantly stressed. France had not, however, grasped the hand proffered to her. Titulescu admitted this. He said that he knew the French people and their leaders very well. The French people desired nothing but peace. No statesman in France could fly in the face of this will for peace. The time for a settlement with France would come after the return of the Saar to Germany. France was all the more ready for a settlement since, because of the German-Polish understanding,² she could not, as hitherto, count on Poland as a reliable factor in her policy of alliances.

The core of Rumania's foreign policy was her relations with the two partners of the Little Entente, and the revisionist question. That was the focal point around which all questions connected with the Little Entente revolved. The revisionist question affected Rumania's relations with all other countries and was the cause of bad relations between Rumania and Hungary. As an opponent of any kind of revision, he, Titulescu, was against the *Anschluss*. If, however, he had to choose between the two questions, either the *Anschluss* or the restoration of the Habsburgs, he would prefer the *Anschluss*.

In reply to my enquiry regarding the state of the Franco-Italian negotiations, and how a possible *rapprochement* between the two countries would affect the Little Entente, and particularly France's relations with the Little Entente, Titulescu said that, as far as he knew, the French-Italian negotiations were only progressing very slowly and he did not think that Italy's extensive demands would be met by the French. Relations between Italy and Yugoslavia were bad. One of the main points of the French-Italian negotiations was to reach a settlement of the bad relations between Italy and Yugoslavia. He saw at present no way in which this settlement could come about without Italy jeopardizing her friendly relations with Hungary.

Relations between Rumania and Italy had cooled; they were affected by the tension which existed between Italy and Yugoslavia. This naturally affected Rumania. In addition, Italy had interfered in domestic politics. (Apparently Titulescu means the connexions between Italy and the Iron Guard.)

Titulescu's harsh judgement of Italy may have some connexion with the unfavourable press he is being given in Italy, and with the fact that Mussolini is not treating him with the respect he had expected.

² i.e., the German-Polish Declaration of Jan. 26, 1934; for the text see vol. II of this Series.

Rumania, Titulescu continued, had no fear of Russia. Russia would not provoke a war on account of Bessarabia.

As a result of the change in political conditions which had meanwhile come about, Rumania's military alliance with Poland³ would probably be made the subject of revision.

Rumania continued to maintain as heretofore the best relations with Czechoslovakia and Yugoslavia. Titulescu remarked, in connexion with this, that he had been informed by the Yugoslav Government that they had come into possession of evidence according to which the murderers of the King had been supported by the Hungarians. The Yugoslav Government intended to raise the matter at the League of Nations Council on November 20.¹ They had asked the Rumanian Government for their support in this matter. This they would receive.

With regard to German-Rumanian relations, Titulescu remarked that there were no political disputes between the two countries. This greatly strengthened Rumania's position in relation to her allies. Germany was a country which would regain in the Balkans the position of a leading Power in the economic field which she had enjoyed before the war. Italy was not in the least able to take Germany's place; Italy's requirements were much too restricted for that. Her economic structure also militated against her doing so.

Apparently at the request of M. Comnen,⁴ who is staying here at the moment, Titulescu said that he very much regretted that it was thought in Germany that his attitude towards Germany was unfriendly. The reverse was the case. In view of the growing economic influence which Germany was exerting in Rumania, it was very much in Rumania's interest to maintain good relations with Germany.

I thanked M. Titulescu for his kind words regarding Germany and remarked that if trade with Germany were not restricted, and the German minorities were given fair treatment, I was certain that German-Rumanian interests would develop favourably to the advantage of

³ As first concluded, at Bucharest on Mar. 3, 1921, this had been in the form of a Convention of Defensive Alliance with obligations of mutual assistance in the event of an unprovoked attack on the existing Eastern frontiers of either party (see League of Nations: *Treaty Series*, vol. VII, pp. 77-83). On renewal, at Bucharest on Mar. 26, 1926, the Convention was remodelled as a Treaty of Mutual Guarantee within the framework of the Covenant of the League of Nations, the obligations of mutual assistance applying against any unprovoked aggression (see *ibid.*, vol. LX, pp. 161-167). This Treaty was renewed in substantially the same form at Geneva on Jan. 15, 1931, with provision for automatic extension at five-yearly intervals unless denounced by either party (see *ibid.*, vol. CXV, pp. 171-176). The 1921 Convention had provided for a Military Convention on methods of rendering assistance and the later Treaties for *arrangements techniques*; no such conventions were, however, published. An account of successive Polish-Rumanian secret military conventions or *arrangements techniques*, concluded in 1921, 1922, 1926 and 1931, is given in *Polskie Siły Zbrojne w Drugiej Wojnie Światowej* (*Polish Armed Forces in the Second World War*) published by the General Sikorski Historical Institute in London, 1951, vol. I, Pt. I, pp. 106-107; it is there stated that these conventions provided for mutual assistance in the event of aggression "by Eastern neighbours". See also General Gamelin: *Servir* (Paris, 1946), vol. II, annex II.

⁴ See document No. 284.

both countries. I added that in view of the high regard in which he was held in international politics, he would certainly have an opportunity soon of giving expression to his friendly feelings for Germany.

Titulescu asked me to convey to the German Government his sincerest thanks for their active intervention against the persons who had planned an attempt on his life.⁵

At the end of the conversation, which lasted an hour and a half, Titulescu asked me to inform the Foreign Minister, Freiherr von Neurath, of his statements regarding his, Titulescu's, attitude towards Germany.

DEHN-SCHMIDT

⁵ Nothing on this subject has been found.

No. 323

M22/M000770-74

Memorandum by the Director of Department II

BERLIN, November 13, 1934.

Last night, after a dinner given by the Chief of the Army Command,¹ I was able to discuss with the Prussian Minister President the Comnen case,² which is dealt with in the enclosed correspondence.³ After describing his Belgrade visit to a large number of Generals and senior Party officials, Reich Minister Göring of his own accord turned the conversation to the above-mentioned correspondence. He seemed to assume that it was I who had had the conversation with the Rumanian Minister here on which the Reich Foreign Minister's letter of November 2 is based. The Minister President mentioned his disapproval, already expressed in his reply, of the fact that the Rumanian Minister had been permitted to make such statements in the Foreign Ministry at all. Clearly M. Comnen had not only not been firmly rebuffed, but had even been left without any answer. Herr Göring expressed the liveliest displeasure over this alleged fault on the part of the Foreign Ministry and he was much surprised when I pointed out that the enclosure to the letter of November 2 was merely a telegram from Comnen himself, disguised as is customary with us for security reasons. Naturally the State Secretary had given Comnen, who had made remarks of a similar nature to him, an appropriate reply of the kind indicated in the covering letter, in fact exactly the same reply as that with which the Minister President himself had meanwhile refuted Comnen's misleading

¹ Gen. v. Fritsch.

² See document No. 305.

³ The correspondence evidently consisted of a letter from Neurath of Nov. 2 and the reply here printed. No copy of Neurath's letter has been found.

assertions. The State Secretary had emphatically pointed out to M. Comnen that the Minister President's statements must only be taken to mean that we had declared ourselves ready "to renounce the use of warlike means in our efforts to obtain a revision of the Treaty of Versailles".⁴ Herr Göring declared that this satisfied and reassured him. I also pointed out to the Minister President that the difficulties which had arisen had absolutely nothing to do with Comnen's conversation at the Foreign Ministry. They had, rather, arisen because, as he was perhaps aware, the Rumanian Minister's telegrams had been intercepted in Budapest too and had caused great astonishment there. The Hungarians had expressed their displeasure over the Minister President's alleged statements, not only to us, but doubtless to Rome as well. This explained why both the Italian Ambassador⁵ here and the Hungarian Legation⁶ were so well informed regarding the alleged statements which M. Comnen had reported home. It was improbable that, as Herr Göring thought, M. Comnen himself had informed the Italians and Hungarians here, nor was it important, since, as has already been explained, Comnen's telegrams had been intercepted and read in Budapest. This fact was new to Herr Göring and clearly gave him food for thought.

KÖPKE

[Enclosure]

BERLIN, November 8, 1934.

DEAR HERR VON NEURATH: I should like briefly to say the following about the Rumanian Minister's visit.

I believe that he is known all over Berlin as "the Father of Lies". He spoke to me in connexion with the conversation I had in Belgrade with his King. I informed him that I had been very surprised to find the King so excited over the idea that Germany would support Hungary in her efforts for revision. I told him that we would never do this, for we would not, as in 1914, pull other Powers' chestnuts out of the fire for them again. We had ourselves renounced any kind of warlike revisionist policy; the best proof of this was the German-Polish Agreement.⁷ Neither the Führer nor the Government would ever think of hazarding a single German in the interests of another Power. I had told his King that if he was disturbed about this matter he should go to the Italians. As far as I know the Führer once also told him the same thing.⁸

⁴ See document No. 284.

⁵ See document No. 292.

⁶ See documents Nos. 269 and 273.

⁷ Of Jan. 26, 1934; for the text see vol. II of this Series.

⁸ No record has been found of a conversation between Hitler and Comnen other than that on May 27, 1933; see vol. I of this Series, document No. 264.

As regards the desire for a visit from me, I told the Minister, on *his* asking me to come to Rumania one day, that I should like to do so some time. With this the matter was at an end. There can be no question of a cool reception, on the contrary, he was quite enthusiastic. In any case I did not go any further into this question. The idea that this was an attempt to split the Entente Powers is his own invention, as I was able to ascertain from his telegrams to the King. But even if it were in fact our intention to make friends of former opponents, I see nothing unacceptable in this, either for us or for Rumania. The man is well-known for a busybody, and he distorts anything and everything we tell him. But all the same I find it impertinent in him that he should tell the German Foreign Ministry that it is my intention to cause disagreement among the allies of France. I hope that he received a sharp rebuff from the gentleman who spoke to him. I find his behaviour all the more impudent since he is constantly trying to become friendly with me, and since I had for this reason granted him his wish to go deer-shooting at my place. Otherwise this perfumed liar does not interest me, as I have nothing to do with him. On the subject of an improvement in German-Rumanian relations his King, anyhow, seemed to hold markedly different views from those of his incompetent Minister.

With best wishes and Heil Hitler,

HERMANN GÖRING

No. 324

5717/H024453-54

The Ambassador in France to the Foreign Ministry

Telegram

No. 1451 of Nov. 14

PARIS, November 14, 1934.

Received November 14—11:20 p.m.

II Fr. 3778.

I entirely share Ribbentrop's view¹ that parallel German moves for contact between French and German ex-servicemen could only be a hindrance and must certainly not take place. As emerges from my reports, I too consider the establishment of relations of mutual confidence between leading German and French ex-servicemen to be an extremely valuable factor, and one destined to play an important part in future in improving German-French relations. The effects of a relationship of confidence can, however, only be of value if the action

¹ See document No. 311, which was repeated to Paris as telegram No. 597 of Nov. 10 (M49/M001224-25) with the following addendum: "With reference to the last paragraph I would inform you that the Stahlhelm authorities recently asked here whether there would be any objection to Branch Leader [*Stützpunktleiter*] Miesbrod asking Deputy Goy for an interview, in order at the same time to make contact with him. Today the reply came that a visit by Miesbrod to Goy would be acceptable only if it was in fact kept on a purely journalistic level. Please inform Miesbrod in this sense at your end too."

taken is centrally controlled by us, and if it is carefully adapted to the constantly changing state of affairs as regards both foreign politics and the domestic situation in France. Premature steps would, in my opinion, be just as harmful as parallel moves on the part of various German authorities, since they would only bring about disturbances, perplex leading personalities in the ex-servicemen's organizations here and create the danger of the German action being involved in French internal conflicts and thus being frustrated. I much welcome the understanding between the ex-servicemen's organizations in both countries regarding support for a loyal settlement of the Saar question. Negotiations going beyond this, on matters of principle connected with the furtherance of relations between ex-servicemen, would, in my opinion, be better postponed until after the Saar plebiscite; in any case Germany should refrain until then from taking any initiative in this direction. In any case I cannot advise strongly enough against overestimating the influence of ex-servicemen's organizations on French foreign policy, particularly *vis-à-vis* Germany. The main object, even of these organizations, is to put forward their material requirements. In this connexion I would point out that I too consider it undesirable to send out numerous persons not belonging to ex-servicemen's organizations, who are given propaganda commissions or instructions to make contact with political personalities, and who, by demanding that national pride be set aside, start up a kind of race, because this only creates an impression of restless and partly contradictory bustle and of attempts at obtrusion, causes distrust and strengthens French reserve.²

I have informed Miesbrod in accordance with your telegram.³

KÖSTER

² In a communication of Nov. 19 (5717/H024455-59) Neurath repeated the substance of this telegram to Hess and suggested that the Reichsleitung of the NSDAP should order all its subordinate organizations to get in touch with the Foreign Ministry well in advance of embarking on any projects of the sort described by Köster. Copies of this communication were addressed to the Ministers concerned and to the Embassy in Paris.

³ Marginal notes: (i) "II Fr. Has not a group of French ex-servicemen previously expressed a special interest in the Saar? As far as I remember, the employment of Saar balances for the benefit of French ex-servicemen was requested. Did this peter out? B[ül]ow, Nov. 15." (ii) "Yes." (iii) "Settled by oral report. Str[ö]hm."

No. 325

9171/E644975-83

The Foreign Minister to the Ambassador in Poland

BERLIN, November 14, 1934.

zu VI A 4849.¹

The *démarche* of the Polish Government in Geneva whereby they

¹ Document No. 313.

refuse all cooperation with international organizations pending the entry into force of the general international protection of minorities system proposed by them,² amounts in practice to a suspension of the Protection of Minorities Treaty.³ There is therefore a danger that the obligations imposed [upon Poland] in the year 1919, when the cession of German territory took place, will be set aside and that in consequence the whole situation as it affects the Eastern frontier questions will deteriorate to Germany's disadvantage. Poland's unilateral action in altering the conditions which have hitherto existed cannot therefore be simply accepted by us in silence. Such silence could only be interpreted as acceptance of the situation created by the Polish *démarche*. Moreover, the oppression of the German minority in Poland makes it imperative that definite steps be taken by the Reich Government *vis-à-vis* the Polish Government.

I therefore request you, with reference to our discussion of the matter during your last visit to Berlin, to raise the question with Foreign Minister Beck as soon as possible on the following lines:

(1) The German Government are of the opinion that it would be opportune to discuss with the Polish Government frankly and in full confidence a question which, if left undiscussed and in doubt, could easily lead to misunderstandings and spoil the promising start which has been made in rebuilding German-Polish relations. This problem is the situation which has been created in the minorities question by the *démarche* of the Polish Government in Geneva.

(2) The Polish Government, in a manner which is greatly appreciated, have for their part also deemed it right to approach the German Government on the subject of this *démarche*, in that shortly after the Geneva Conference they informed State Secretary von Bülow through M. Lipski that the German minority in Poland would in principle continue to enjoy equality of rights. The position has, however, not been sufficiently clarified by this declaration. Herr von Bülow, therefore, on the occasion of this interview reserved a later statement of the German Government's point of view.⁴

(3) You should say that you are instructed to make it clear from the outset that it is not by any means our intention to object to Poland's *démarche*, as such, against League of Nations cooperation in minority questions, nor to refer these questions back for settlement on international lines. We are able to be indifferent to the cooperation of the League of Nations, as we have long regarded it as useless. Moreover, it is in fact one of the most important aims of the German-Polish Agreement of last January⁵ to settle German-Polish questions not

² See document No. 8 and footnote 1 thereto.

³ See document No. 8, footnote 6.

⁴ See document No. 210 and footnote 7 thereto.

⁵ Of Jan. 26; for the text see vol. II of this Series.

before an international forum but by a direct exchange of views. We also appreciate that Poland feels an international system of supervision to be prejudicial to her.

(4) This, however, does not alter the fact that a large number of people of German stock live in the territories ceded by the Reich to Poland and that the minority rights assured to these people form an integral part of the general settlement of 1919. Germany cannot possibly be indifferent to the fate of this section of the population. The German people could not possibly comprehend such indifference. The German press has, at the request of the Reich Government and in the interest of German-Polish relations, admittedly said very little recently about the position of the German minority in Poland; but this must not lead to the illusion that the fate of our fellow Germans and their treatment by the State and population in Poland are a matter of indifference to us.

(5) The purpose of your *démarche* is to make the foregoing clear in principle. In order to prevent any misinterpretation of this *démarche*, you are empowered to state that the German Government have no thought of turning intervention on behalf of the German minority in Poland in any way into a lever with which to raise frontier questions. We hope that the Polish Government will duly appreciate this statement. Through this, and through our *désintéressement* concerning the question of supervision by the League of Nations, we are creating conditions which will make it possible for the questions concerning the German minority to be discussed between Germany and Poland with as much impartiality and objectivity as obtains, for example, between Germany and Hungary. In this way the discussion will from the start be deprived of any conceivable acrimony. On the other hand, it will thus be possible to prevent the problem which inevitably exists between the two States from one day becoming a disturbing element in the development of their relations.

(6) Even though your chief concern during this first interview must be the principles involved, you should not let slip the opportunity of pointing out that very many complaints from the German minority in Poland have been reported, particularly of late, which prove that the Polish laws are inadequate and that the action of the Polish authorities does not in practice correspond to the intentions conveyed to us by the Polish Government.

As was already emphasized in our conversations in Berlin, the matter of prime importance to us is that the Polish Government should recognize expressly, or at least *de facto*, our legitimate right to intervene on behalf of the German minority in Poland. You should, therefore, be particularly careful that the interview does not terminate with the admission of an open difference. It would be especially desirable if you could get M. Beck to arrange that a responsible Polish authority

should forthwith make public a declaration to the world, which while being, of course, spontaneous, would in fact correspond to our own point of view, and that all internal Polish departments involved should be given emphatic instructions to act in accordance with this declaration.

Should M. Beck attempt to evade you by promising, as M. Lipski did, that the minority will be well treated, while emphasizing that the whole problem is exclusively one for Poland to settle autonomously, you should tell him that we are not so much concerned with the type of regulation which provides that the minority shall be well treated—i.e., whether under international treaties or under independent Polish law—as with ensuring that the minority is in fact well treated.

If, during the conversation, M. Beck should bring up the problem of the Polish minority in the Reich, you should point out that this question is after all of a different order. A comparison cannot possibly be made, if only because the position of the Polish minority in the Reich has, through voluntary concessions on the part of Germany, constantly improved, while over the years steady deterioration in the situation of the German minority in Poland has unfortunately been evident. Faithful to the declaration, which the Führer and Chancellor has repeatedly made, that the German people's respect for foreign national communities goes side by side with their love for their own people, it is precisely the National Socialist State which has put these views into practice, especially with respect to persons of Polish stock living in the Reich.

If M. Beck should finally introduce the subject of a bilateral minorities treaty, you should listen without comment and, for your part, avoid as far as possible going into such an idea in detail.

I shall look forward with special interest to a report on the carrying out of these instructions and on the reception of your *démarche*.⁶

NEURATH

⁶ See document No. 339.

No. 326

L432/L124102-03

The Embassy in Great Britain to the Foreign Ministry

A 4053

LONDON, November 14, 1934.

Received November 17.

VI A 5088.

Subject: Letter from the Archbishop of Canterbury.

With reference to my report A 3793 of October 29.¹

¹ Document No. 282.

I have the honour to enclose herewith, strictly for your confidential information, a copy of a private letter which the Archbishop of Canterbury has sent me.

The occasion for this letter was one which I sent to the Archbishop on the occasion of his 70th birthday.²

As the Archbishop is stating his views on the developments in the Church question in a purely private capacity, I would ask you to treat this letter as secret.³

By order:
BISMARCK

² Not found.

³ Marginal notes: (i) [Initialled] "St[ieve], Nov. 17." (ii) "Not suitable for circulation." (iii) "The despatch is to be submitted to the Foreign Minister through the State Secretary. R[oediger], Nov. 19." (iv) [Initialled] "B[ülow], Nov. 20." (v) "Submitted to the Foreign Minister. K[otze], Nov. 20."

A minute (L432/L124109-10) reads: "(1) Menshausen. [Initialled] 'M[enshausen], Nov. 20.' (2) Department VI. According to a message from Ministerialdirektor Buttman the Reich Bishop has disbanded the interim [*kommissarische*] Church Administration in Württemberg and has reinstated *Land* Bishop Wurm with effect from Nov. 20. v. N[eurath], Nov. 20."

[Enclosure]

Copy

PERSONAL

LAMBETH PALACE, S.E.
November 7, 1934.

DEAR HERR VON HOESCH: I have been waiting till I could find time to write with my own hand to thank Your Excellency for your letter of October 31st,² but I have been so exceptionally pressed by public duties and engagements that this time has never come. Will you therefore forgive me if I am compelled to dictate this letter?

I was greatly touched and pleased by your words and good wishes and I thank you most heartily for them.

I need not say that I have watched with the deepest interest the development of the religious situation in Germany since you so kindly gave me the opportunity of putting my hopes and fears before you.⁴ It is very remarkable that the very suggestions which I ventured to make were so soon carried out. Certainly the tensivity of the situation has been relieved. There are still many troubles ahead. But it is not for me to express any opinion about the internal affairs of the Evangelical Church in Germany. My only concern was as to the use of coercive methods, and these have been so greatly mitigated⁵ that

⁴ See document No. 252.

⁵ Bishops Meiser and Wurm had been released from house arrest on Oct. 28; on Oct. 30 Hitler told Bishops Meiser, Wurm and Marahrens that he took no further interest in the dispute and would leave the problems of the Church to the Church itself, thus recognizing, by implication, the key clause of the Confessional Declaration of Independence of Oct. 20 (L432/L124027-28); for further details see *The Times* of Oct. 29 and 31.

for the present, and I hope altogether, I am relieved from the necessity of taking any such public action as that which I mentioned when you were here.

Let me thank you once again and very cordially for the kindness and considerateness which you have shown to me in this matter.

Yours very sincerely,

COSMO CANTUAR

No. 327

6013/H044598-601

An Official of the Reich Finance Ministry to the Foreign Ministry

BERLIN, November 14, 1934.

IV Po. 8034.

For the attention of Senior Counsellor von Lieres.

I enclose a copy of a minute on the conference on October 30, 1934, for information.

MAYER

[Enclosure]

CONFIDENTIAL

BERLIN, October 31, 1934.

MINUTE ON THE CONFERENCE ON OCTOBER 30, 1934, WITH THE OFFICIALS DEALING WITH DANZIG IN THE VARIOUS REICH MINISTRIES

The purpose of the conference was to inform the officials dealing with Danzig in the various Reich Ministries

(A) about the situation in Danzig,

(B) about the outcome of the high-level conference on October 18.¹

With reference to (A) a detailed review was given of Danzig's financial and economic position, particularly with regard to:

(1) The budgets of the State and municipal authorities and the financial assistance to these budgets so far provided by the Reich (contractual payments, additional contributions, and cash credits);

(2) The state of agriculture, in particular the amount of Danzig produce exported to the Reich and the method of regulating it hitherto;

(3) The state of trade and industry;

(4) The state of the labour market, in particular the measures taken, with the aid of the Reich, to provide employment;

(5) The cost of living in Danzig.

The statements on points 1 to 5 were supplemented by a statistical review of the total amount of funds placed at Danzig's disposal in order both to bring out the difficulties that have resulted from the foreign currency situation in the Reich, and on the other hand to show

¹ No record of this conference has been found, but see documents Nos. 259 and 262.

that the threatened dangers can only be averted with the aid of Danzig herself (the greatest budgetary economy).

Following this general review, certain special questions concerning economies to be effected in Danzig were briefly discussed. These will, where necessary, be dealt with in detail by the appropriate officials in further reports to the Reich Ministries concerned.

Regarding the overriding question as to whether and to what extent the currency required for the various subsidies hitherto granted Danzig can be made available, further discussions, in which the Reich Ministries concerned are to take part, will be held with the Reich Exchange Control Office, since the representatives of the Reich Exchange Control Office present were not in a position to make definitive statements about this.

With reference to (B): The guiding principles laid down by the Führer and Chancellor, namely that:

- (1) we must hold Danzig in all circumstances,
- (2) Danzig for her part must make every effort to help in overcoming the serious difficulties arising from the foreign exchange situation in the Reich,

were made known to the meeting.

Concerning the procedure to be adopted in dealing with Danzig affairs, the following points were laid down:

(1) The Reich Finance Ministry's trustee [*Treuhänder*] for Danzig (Ministerialrat Mayer, whose deputy is Oberregierungsrat Burmeister) will serve as the centre for Danzig's financial and economic affairs for all Reich Ministries.

(2) In each Reich Ministry all Danzig affairs to be dealt with in that Ministry will be channelled through the appropriate official for Danzig.

(3) The representative of the Danzig Senate in Berlin is Staatsrat Dr. Schimmel, who, because of the need for camouflage, figures as the head of the "Central Office for German-Danzig Economic Affairs".

(4) In order to ensure that Danzig affairs are dealt with smoothly and uniformly:

a) Negotiations and requests from the Senate will in principle be reported to or submitted to the Reich Ministries through the trustee and dealt with in consultation with him;

b) Non-official negotiations and requests (from private persons, representatives of professional associations etc.), submitted to particular Reich Ministries will be rejected in principle. Such requests and petitioners will be referred to Dr. Schimmel.

The procedure under (A) and (B) has been agreed with the Danzig Government.

MAYER

No. 328

3058/609871

Memorandum by the State Secretary

[BERLIN], November 15, 1934.

Foreign Minister.¹

General Beck tells me that General von Fritsch will make his report on the French military preparations along the Saar frontier (amongst other things) to the Reich Chancellor tomorrow. The fact is that two infantry corps and two motorized divisions have been brought up to war establishment (*less* reserve formations). The call-up of three age groups may also, however, have something to do with the "lean age groups".² All this *only* on the Saar frontier.

General von Fritsch will not prefer any requests whatsoever. He will call on you *first* and make his report to you, and perhaps suggest that you accompany him to the Reich Chancellor.³

BÜLOW

¹ Marginal note: "Submitted to the Foreign Minister. Ko[tze], [Nov.] 15."

² In a memorandum of Nov. 14 (3058/609848) Frohwein recorded that Lt. Col. Böckmann of the Reichswehr Ministry had told him that the latest information was that the 6th and 20th Corps had been strengthened by the recall of their "*disponibilité*", i.e., the last three age groups to be released. The view of the Reichswehr Ministry was that these were preparatory measures only and that there were no signs of an impending incursion into the Saar.

³ No records of General Fritsch's reports to the Foreign Minister or to the Reich Chancellor have been found.

No. 329

8825/E614212-13

Consul General Radowitz to Ministerialdirektor Meyer

DANZIG, November 15, 1934.

DEAR HERR MEYER: I have already hinted that moves are on foot to prevent Rauschning's resignation at the eleventh hour, and to make continued collaboration between Forster and Rauschning possible. According to confidential information, one of these moves, which was made with Reich Minister Hess, has a chance of succeeding.

If it were possible to keep Rauschning, the situation here would be made one hundred per cent secure as regards domestic and foreign policy, in so far as this is possible apart from the economic depression.

It would carry great weight if the Foreign Ministry were also to adopt this point of view, and inform Reich Minister Hess as early as possible that this was the urgent desire of the Foreign Ministry.¹ In

¹ Marginal note: "I am prepared to write to Hess to this effect; i.e., in the sense that it would be most desirable for our policy as a whole if the dispute between R[auschning] and F[orster] could be settled, and R[auschning] could remain at least for another few months. v. N[eurath], Nov. 17." No such letter has been found.

this connexion, my memorandum which has been sent to you² might be useful, and I may add in confidence that in the memorandum I toned things down very much, and that the aversion of the High Commissioner and the Polish diplomatic representatives from anyone who might succeed Rauschning is even greater and more bitter than I have described.

If we succeeded in keeping Rauschning for only a few months, it would be a clear gain from every point of view. I cannot sufficiently emphasize how urgent this is. Please exert all your considerable influence to help achieve this result.

The elections here take place on the 18th of this month. Rauschning is supposed to resign after that. The matter is therefore extremely urgent.³

With our cordial greetings to you all,
and Heil Hitler,
Yours etc.,

RADOWITZ

² Document No. 308.

³ In telegram No. 41 of Nov. 19 (8825/E614211), Radowitz informed Meyer that all attempts to tolerate Rauschning further had unfortunately been rendered futile by his behaviour. In telegram No. 43 of Nov. 24 (6207/E469248), Radowitz reported to the Foreign Ministry that, after a lengthy speech by Forster, the National Socialist deputies in Danzig had on Nov. 22 censured Rauschning and demanded his immediate resignation, and that Rauschning had that day (i.e., Nov. 24) announced his resignation.

No. 330

2406/510873-74

Memorandum by the Foreign Minister

BERLIN, November 16, 1934.

RM 1281.

The French Ambassador called on me today in order, as he said, to describe the impressions he had gained in Paris. He assured me that M. Laval had not the slightest intention of embarking upon military adventures. His only concern was to let the plebiscite in the Saar proceed in an orderly manner. He was convinced that the people of the Saar were German and the larger the number of votes for reintegration with Germany, the more he would welcome it. To my retort, what then was the meaning of the military preparations and why had two infantry corps been ordered to stand by,¹ M. Poncet replied that they were not standing by; the preparations had merely been made, and this at the special request of the British, in order to quell with the army any disturbances in the Saar for the suppression of which there were not sufficient police available. Even in such a case,

¹ See document No. 328.

namely, if the Saar Government or the League of Nations were to make a request, only police units would move in at first. Not unless these proved inadequate would the army be kept in readiness for all eventualities. To my objection that he was, of course, aware of our opinion on the illegality of the use of any kind of French troops, M. Poncet replied that, admittedly, a different view prevailed in Paris; but he could assure me once again that M. Laval and M. Flandin intended to avoid, if at all possible, the use of troops and police. M. Laval had also assured him that he hoped it would be possible to achieve a settlement quickly after the plebiscite, so as to make the interval before the final transfer of the Saar as brief as possible. It was clearly understood in Paris that the dangerous stage as such would not begin until after the plebiscite.

I then told the Ambassador that I assumed that M. Laval too would do all he could not to make any isolated incidents the occasion for large-scale action. If both sides would endeavour to keep minor incidents localized, a speedy settlement would probably be possible.

Finally M. Poncet came to speak about his favourite topic, the danger of German rearmament. New to me in this respect was the opinion he expressed that, after the Saar plebiscite and settlement were over, it might also be possible to achieve a German-French *rapprochement*, perhaps on the basis of limitation of armaments. The French desire for security would of course have to be taken into account somehow or other. How this could be done he did not know either. It transpired from the Ambassador's statements, however, that Paris, too, is beginning to resign itself to German rearmament and that obviously M. Laval does not seem averse to striving for a direct settlement with Germany on this basis.

NEURATH

No. 331

4923/E257100-04

Memorandum by the Head of Referat Deutschland

BERLIN, November 16, 1934.
e.o. 82-35 A 16/11.

A departmental conference took place on the 15th of this month on the question of how to counter the harmful repercussions of Germany's racial policy on relations with foreign States. A memorandum on the course of the discussion is attached as an enclosure.

The successful outcome [of the conference] and the cooperation, on a basis of mutual confidence, over racial questions between the Reich Ministry of the Interior, the Racial Policy Office [*Rassenpolitisches Amt*] (Dr. Gross) and the Foreign Ministry, which has now been attained, is

due to the particularly discreet and thorough way in which the conference was prepared¹ by Secretary of Legation Dr. Schumburg, assisted by Attaché von Marchtaler.

Submitted herewith via the State Secretary to the Foreign Minister.²
VON BÜLOW-SCHWANTE

¹ Material on the preparation of the conference of Nov. 15 has been filmed on 4923/E257069-94.

² A copy of this memorandum and its enclosure was sent to Department I on Nov. 17. An undated marginal note in Schumburg's handwriting stated that the other divisions [*Länderreferate*] were not to receive a copy, as a "final" version was being prepared. New minutes of the conference, slightly more detailed than the ones here printed, were drafted by Schumburg on Nov. 26 (4923 E257117-25), but were also not circulated, a marginal note stating that the divisions should receive copies of the draft prepared by the Reich Ministry of the Interior. See also document No. 486 and footnotes 1 and 2 thereto.

[Enclosure]

November 15, 1934.

At today's discussion on the question of how to counteract the detrimental effects of Germany's racial policy upon relations with foreign States, there were present:

Dr. Gross as representative of the Führer's Deputy,³
Ministerialdirektor Nicolai for the Reich Ministry of the Interior,
Herr Hasenöhl for the Reich Ministry for Public Enlightenment and Propaganda,

The Legal Adviser to the Auslandsorganisation of the NSDAP,
Representatives of the Reich Ministry for Religious Affairs and the Reich Ministry of Labour.

After explaining the situation Herr von Bülow-Schwante tabled the [Foreign] Ministry's motion: That the possibility be considered of limiting, by means of confidential instructions to local authorities and Party offices, the Aryan legislation⁴ to Jews by giving, in principle, exceptional treatment to non-Aryans of foreign nationality or of foreign parentage.

Dr. Gross then said, on behalf of the Führer's Deputy, that, though the NSDAP was not in a position to depart from its basic attitude to the racial question, he was authorized to state that the Party, too, promised to cooperate in ensuring exceptional treatment in cases where foreign relations would be impaired by decisions in domestic policy. Dr. Gercke, the Commissioner for Racial Research [*Rassenforschung*] in the Reich Ministry of the Interior, also took this view after having satisfied himself that the decision in principle as to whether alien races were to be considered as racially equivalent [*stammesgleich*] within the meaning of the Aryan legislation, would not, in practice,

³ Rudolf Hess.

⁴ See document No. 15, footnote 13.

be affected by this exceptional treatment. The Reich Ministry of the Interior took the view that to settle the question in such a way that cases of non-Aryans who were foreign or of foreign parentage would, on principle, be treated as exceptions, was not sufficient. Ministerialdirektor Nicolai demanded that the present obscurities should be eliminated by substituting the definition "Jewish" for "non-Aryan" in the Civil Service Code etc. He did not think that any disadvantages need be feared if Germany were openly to admit that the present Aryan legislation was directed against the Jews and not against other races. The racial doctrine as such could be maintained notwithstanding.

Neither Dr. Gross nor any of the other departments opposed this radical proposal in principle. The Auslandsorganisation objected that any modifications in the Aryan legislation on the lines suggested should be made only with the greatest caution, as it was to be expected that other countries would construe such a measure as a retreat. Ministerialdirektor Nicolai replied that, on the contrary, by aiming at the true political enemy, the Jews, this measure would mean an intensification as compared with the present state of affairs. The Reich Ministry of the Interior would, in any case, welcome such an objective.

Herr von Bülow-Schwante stated that the proposal in principle made by Ministerialdirektor Nicolai had not yet been examined, and that the Foreign Ministry suggested that it be more fully discussed between the Reich Ministry of the Interior and the Party, should this appear necessary for reasons of domestic policy. It was not to be assumed, however, that the proposal could be realized in the near future. On the other hand, the Foreign Ministry was interested in an immediate settlement of the various cases pending or likely to come up for discussion.

The meeting agreed upon the Foreign Ministry's proposal, the substance of which is as follows:

1. That the Reich Ministry of the Interior shall request all Reich authorities, and order the subordinate offices, to transfer to the Reich Ministry of the Interior all cases now awaiting decision or requiring a decision in future under the Aryan legislation, in so far as they concern foreigners or persons of foreign non-Aryan parentage.

That Reich Minister Hess shall have similar instructions sent to all Party organizations.

2. That the cases thus transferred to the Reich Ministry of the Interior or to Reich Minister Hess shall in future be decided by the Reich Ministry of the Interior as the competent authority, in consultation with Reich Minister Hess (Racial Policy Office) and with the Foreign Ministry.

The guiding principle for these decisions in future shall be that exceptions to the Aryan legislation shall be permissible when they apply to foreign non-Aryans or to persons of foreign non-Aryan

parentage, provided the disadvantages in foreign policy considerably outweigh the success achieved in internal policy.

The Reich Ministry of the Interior, the Racial Policy Office and the Foreign Ministry will apply the foregoing resolution in an appropriate manner. Further conversations with this limited number of participants are envisaged.⁵

⁵ Despite the instructions as to the disposal of this document (see footnote 2 above) a copy of the enclosure was handed to Department IV (8930/E626108-11) and bears the following marginal notes: (i) "Received from Ref[erat] Deutschland for information and for the confidential information of the Embassy in Tokyo. The Deputy Director is informed. To be filed. R[ohde], [Nov.] 24." (ii) [In an unidentified handwriting] "Not suitable for transmission to Tokyo." In a letter of Nov. 30 (8930/E626119-23) Erdmannsdorff informed Ambassador Dirksen of the gist of the enclosure, and cited as an example of the practical outcome of the conference the case of a student of Japanese extraction who had been expelled from his student body and had now been accepted again.

No. 332

7827/E568406-07

Memorandum by an Official of Department II

BERLIN, November 16, 1934.

e.o. II Balk. 2762 Js.

In the course of conversation today, the Yugoslav Chargé d'Affaires once again deplored the fact that the police investigations regarding the Croats in Berlin had produced such poor results.¹ He particularly regretted that the proposed arrests of Lorković and Cihlar had not been allowed and that the whereabouts of Lorković's mistress, the divorced wife of Cihlar, had still not been discovered; all the same it was fairly certain that Lorković was constantly in touch with this woman and was visiting her house. The woman being searched for is known as the "blonde Slav", and is supposed to have played a special part in the planning of the Marseilles assassination. The Yugoslavs suspect that the Croats are somehow still receiving a certain amount of support here. M. Rasić also pointed out that Potthoff, the factory owner,² who has already been mentioned a number of times, had put the Croats in touch with Herr Alfred Rosenberg and his circle. Dr. Mogorović, Yugoslavia's special envoy,³ had recently described the unsatisfactory results of his efforts in Germany at a meeting of about twenty Germans, regarding which the Chargé d'Affaires could not give me any details, but which must, at least for the greater part, have consisted of police officers. It had thereupon been suggested to him that he should arrange with Minister President Göring or with State Secretary

¹ See document No. 268.

² Karl Potthoff, a German national, a brother-in-law of Kvaternik.

³ Inspector of the Political Police in the Yugoslav Ministry of the Interior

Körner that an order for the arrest of Lorković and Cihlar should be given. About three days ago (that is to say, about November 13), Minister Balugdžić had called on State Secretary Körner,⁴ where he too was told that the arrests would be ordered. But despite this assurance nothing had actually been done. Furthermore, Dr. Mogo- rović had gone to Cologne with Martin, the Criminal Police Commissar, for the purpose of further investigations.⁵

BUSSE

⁴ Paul Körner, State Secretary of the Prussian Ministry of State.

⁵ Marginal note: "According to information received by telephone from Kriminalrat Heller, of the Gestapo Office, Lorković and Cihlar have in the meantime been arrested after all, and Mme. Cihlar has been traced; whether she is the woman we are looking for has yet to be ascertained! Busse, Nov. 17."

No. 333

7466/H178790-93

The Commissioner for Disarmament Questions to the Reich Chancellor and the Foreign Minister

LONDON, November 16, 1934.

Received November 20.

II Abr. 2642.

For the Reich Chancellor and the Reich Foreign Minister.

With reference to your telegram No. 339¹ I report that I myself have already caused a *démenti* to be issued.

The conversations with Eden and Simon² went off in a very friendly manner. Simon once more said emphatically that Britain would do all she could to contribute to a peaceful and fair solution of the Saar question. After I had once more put forward our point of view, Simon stressed that a peaceful settlement of the Saar question could provide an opportunity of showing the world that Germany's intentions were good, and that a more favourable atmosphere for the settlement of other questions (he meant the disarmament question) might arise from this.

From the form and substance of the statements made by Simon and Eden (who was present), I received an impression of sincerity.

I twice cautiously touched upon the disarmament question, in order to sound out the Foreign Secretary's attitude and perhaps proceed

¹ Of Nov. 12, 1934 (7467/H181439). In this telegram Neurath instructed the Embassy in Britain to request Ribbentrop to deny rumours in the British and French press that he had come to London to take soundings regarding Germany's alleged intention of repudiating the demilitarization clauses of the Treaty of Versailles after the Saar plebiscite and then returning to the League of Nations. For the *démenti* see *The Times* of Nov. 14, 1934.

² Ribbentrop had had a conversation with Eden on Nov. 12, and with Simon on Nov. 13 (see *The Times* of Nov. 13 and 14, 1934), Eden being also present on the second occasion.

with the matter here. Simon, however, remained evasive, probably so as not to commit himself in any way. I did not therefore go into the question any further.

In the conversation which I had with Eden on the previous day at which Mr. Wigram,³ who is not favourably inclined towards us, was present, the disarmament question was thoroughly discussed. I put forward our point of view more or less as follows: Germany had proved her desire for an understanding in the spring, when she did all she could to bring about the conclusion of an agreement. Eden did not contradict this, but merely mentioned our reservations⁴ regarding the British memorandum. I continued that the reason for failure at that time, namely the French refusal to disarm, was still decisive now, and that since the spring this attitude had been underlined by further large armaments, an example which Great Britain had followed. In view of this Germany must the more urgently demand the realization of that equality of rights which had been promised her. As Eden seemed to show understanding, I attempted by means of suitable questions to elicit how far the question of the realization of our equality of rights had progressed in the minds of the British Ministers since the spring. Eden did not, however, go into this any further, but only said that both we and France should make concessions. I replied that we were continually trying to bring about better relations with France, as a lasting settlement of this problem was a precondition for good and friendly relations between Germany and Britain. I informed Eden that I had arranged to go to Paris immediately after my visit to England,⁵ and that I hoped that it might be possible to make some progress there. The active cooperation of Britain, which we had lacked since April 17,⁶ would, however, be important. Eden said that he would discuss the problem with Laval in Geneva.

Questions, such as might have been expected, about German military measures at present were not raised. I pointed out that Germany would warmly welcome it if the idea of disarmament were after all to be realized one day, although it certainly did not look like it at the moment. Sooner or later, therefore, Germany would have to proceed with her defences in accordance with the European situation, which had greatly altered since the spring as a result of the enormous armaments, also in Russia, who was friendly with France. In order to foster a feeling of confidence, I further explained that, when weighing such considerations about defence, Germany from the outset rejected the idea of a possible conflict with Britain. Agreement with Britain on military questions could certainly be achieved. Land armaments

³ R. F. Wigram, Head of the Central Department of the Foreign Office.

⁴ See vol. II of this Series.

⁵ Ribbentrop left London on Nov. 27, and went to Paris on Dec. 2. See also document No. 381, footnote 9.

⁶ The date of the French Memorandum to Britain; see document No. 4, footnote 7.

played a minor part between the two countries. At sea Germany would not repeat her pre-war naval policy; a long-term agreement, giving Britain the fullest security at sea, was definitely possible. (I gave no figures.) In the air question, too, agreement was undoubtedly possible. We would like to see Britain the greatest air Power in Europe. At any rate an agreement would not be too difficult if Britain would always maintain a strong air force, strong also in comparison with the air forces of the States surrounding us. Such a strong British air force would then make it possible for Germany in her turn to build up an air force which would enable us to reach a stable basis with Britain in the air, and to be in every way a match for possible attack by the States surrounding us, without competing with Britain in the air.

I then also mentioned the possibility of long-term agreements on political security between Germany, Britain and France.

Eden listened to these general observations and asked one or two questions; he did not however follow these lines any further, merely mentioning once more the difficulty of getting France to accept such ideas.

My general impression is this: The British statesmen seem, in principle, to appreciate our demand for equality of rights. Its realization they would wish, however, to keep on the smallest possible scale. At the moment they would like to avoid committing themselves, if possible, and they seem to be helpless in the face of the question of how to reopen negotiations. At the moment, at any rate, the British statesmen are not yet minded entirely to annul Part V.⁷ We shall, in the next few months, have to advance slowly here and not hurry anything. In my conversations with Eden and Simon I have suggested reopening personal negotiations in the course of next year, as, at the moment, we have no interest in speeding the matter up either. Eden was most willing for us to get in touch again after my conversations in France, after the Saar plebiscite, in February or March.

Repeatedly during the conversation Eden mentioned the need for our return to the League of Nations, or at least to the Disarmament Conference; I answered these remarks with the usual arguments.

I regard both the official conversations as merely tentative and as a way of strengthening the confidence of British statesmen in the broad outlines of future German foreign policy. It is clear that both the responsible Ministers are being careful and wish to avoid committing themselves. I shall report on much more important conversations with other influential personalities on my return.⁸

Various occurrences during my stay go to show that the main opposition to our policy continues to stem from the Foreign Office, while elsewhere a more reasonable attitude may be observed among

⁷ Part V of the Treaty of Versailles, containing military, naval and air clauses.

⁸ No material on this has been found.

leading personalities. My general impression is that leading circles and public opinion (the latter as a result of the press campaign in recent months), do understand the reason for our armaments, but are becoming increasingly uneasy about the alleged size of our air armaments, and, above all, are very mistrustful regarding their future use. On my return I will make suggestions for the treatment of this question in the press.⁹

RIBBENTROP¹⁰

⁹ No such suggestions have been found.

¹⁰ A note by Köpke of Nov. 22 (7466/H178789) reads: "Herr Renthe-Fink, Herr Frohwein: 1. Nothing new on the Saar. 2. The air conversations are beginning to become dangerous! In my opinion the Air Ministry should be brought into this as quickly as possible. This should surely, however, be done at ministerial level? Köpke, Nov. 22."

A minute by Frohwein, zu II Abr. 2642 of Dec. 3, 1934 (7466/H178788), reads: "For Min[isterial]dir[ektor] Köpke. This matter has probably been outdated by the events of the debate in the British House of Commons. In my opinion we must, supplementary to the discussion with the R[eichs]wehr Min[ister] on our aim in possible negotiations in the sphere of the land army, also similarly, [and] in conjunction with the R[eichs]wehr Min[istry], approach the R[eich] Air Min[istry], this to be done in the first instance through the normal channels." This has the following marginal comments: "I fear the matter has gone too far for this. Köpke, Dec. 3." "The affair has now been superseded by the air pact negotiations. To be filed. F[rohwein], Feb. 25, [1935]."

No. 334

6161/E461723

The State Secretary to the Embassy in Great Britain

Telegram

No. 342 of November 17

BERLIN, November 17, 1934—7:55 p.m.
e.o. III E 3109.

For the Ambassador. Strictly confidential.

The British Embassy here has been putting out discreet feelers in conversation as to what we would say to a visit by Eden to Berlin. You should report by telegram, without taking any soundings, whether anything is known in Britain about such intentions.¹ [Please also report in detail by telegram on Ribbentrop's conversations.]²

BÜLOW

¹ In telegram No. 314 of Nov. 19 (6161/E461724), Hoesch reported that neither Eden nor Sir John Simon, when he last saw them, had mentioned any plans for a visit to Berlin. He added that he could not imagine that the British Government had any plans for such a visit at the present time and asked for details about the nature of the feelers. In a letter dated Nov. 20 (6161/E461725) Dieckhoff replied that in Berlin, too, such plans were considered unlikely, but that it had been thought that the question might have been raised in one of Ribbentrop's conversations in London; see footnote 2 below. The Berlin feeler had been put out by the Press Attaché of the British Embassy and no further action was intended.

² The draft of the document here printed was submitted to Neurath, who deleted the passage in square brackets before despatch. For details of Ribbentrop's conversations see document No. 333.

No. 335

7947/E573507-08

The Director of Department II to the Embassies in Great Britain and France, the Legation in Switzerland and the Consulate at Geneva

Telegram

- | | |
|-----------------------|-------------------------------------|
| (1) To London No. 341 | BERLIN, November 17, 1934—8:00 p.m. |
| (2) To Paris No. 618 | zu II SG.7747. ¹ |
| (3) To Berne No. 105 | |
| (4) To Geneva No. 139 | |

For your information.

It has not been possible so far to bring the negotiations with the Aloisi Committee in Rome to a satisfactory conclusion. The French delegates have declared that Germany's attitude to the various questions, amongst which the financial question² predominated, rendered any further negotiations futile and that pursuant to Paragraph 39³ the Council would now have to take unilateral measures without Germany. In view of this state of affairs Baron Aloisi has caused the Committee of Three to pass a resolution proposing that the meeting of the League of Nations Council be postponed from Wednesday to Saturday⁴ of next week. He hopes to achieve a definite result in further negotiations.

Our delegates have returned to Berlin to report orally.

KÖPKE

¹ II SG.7747 is a minute of the same date (7947/E573506) recording that Hassell had telephoned and reported receiving the information contained in the document here printed from Aloisi, who had further stated that his motive in bringing about a postponement had been to give the German Government an opportunity to revise their instructions on financial questions and to avoid unilateral measures whatever happened.

² The main financial questions under discussion were described by Berger in Rome telegram No. 268 of Nov. 16 (7947/E573498-500). On Nov. 17 Bülow informed Schacht by telephone (7947/E573501-02) of the Foreign Ministry's suggestions for instructions on a compromise to be given to the German financial delegates to Rome and stated that "these suggestions are based on general instructions by Hitler, which were repeated only yesterday [i.e., Nov. 16], that everything should be done to shorten the period between the plebiscite and the return of the Saar, to eliminate as much as possible transitional economic difficulties and causes for political friction, and to conduct the forthcoming negotiations accordingly". No other record of Hitler's instructions of Nov. 16 has been found.

³ See Editors' Note, p. 229.

⁴ i.e., Nov. 21-24.

No. 336

2980/580567-69

Memorandum by the Foreign Minister

BERLIN, November 17, 1934.

RM 1286.

[II Ung. 858.]¹

The Hungarian Minister called on me this morning. As usual, M. de Masirevich came with a long list of questions which he had put on paper as an aid to memory. He began by reading out to me, according to him on behalf of his Government, a further vehement complaint about Minister President Göring's visit and the statements he had made in Belgrade.² His complaint was based on observations and reports from Balkan diplomats to whom Herr Göring had expressed completely negative views on the question of revision;³ he is said also to have criticized severely the treatment of German minorities in Hungary, and, lastly, to have spoken of his intention of visiting Rumania at an early date. In reply to these points I told M. de Masirevich that I was surprised that he should have the audacity to return with another complaint after Ministerialdirektor Köpke and State Secretary von Bülow, as well as I myself,⁴ had fully explained to him the meaning of Minister President Göring's statement on the question of revision. If he did not believe what we told him, I would in future refuse to speak to him at all. I was tired of having to repeat the same thing over and over again. M. de Masirevich then continued: According to the same Balkan diplomats, and to reliable reports, Herr Göring repeatedly stressed that his statements were made on behalf of the Führer. I told M. de Masirevich in reply to this that I myself had heard from the Führer's own lips that, apart from representing him at the funeral ceremonies, he had not given Herr Göring any political assignment whatever. That did away with the "reliable" reports of the Hungarian Government's informants.

The Minister also wished to know whether we had concluded or intended to conclude any political agreements with the Yugoslavs. I replied that, on this point too, we had already given him detailed information and that I had no intention of saying anything more on the subject. Otherwise, I could only repeat that it was very much in Hungary's own interest for us to be on good terms with Yugoslavia.

After this M. de Masirevich read out a passage which, in effect, ran as follows: If Germany did not abandon her friendly relations with Yugoslavia soon, Hungary together with Czechoslovakia and Austria

¹ Taken from another copy (9564/E673415-17).

² See document No. 263.

³ See document No. 284.

⁴ See documents Nos. 269, 273 and 323; no record of a conversation between Bülow and Masirevich on this subject has been found.

would form a Danubian confederation and close the Danube basin to us. I thereupon told M. de Masirevich that I would not tolerate such a tone. I flatly refused to let the Hungarian Government lay down the law to me regarding our policy. Threats had no effect on us at all. As for the rest, he had my blessing on the alliance with the Czechs of whom Hungary was so fond.

Even this did not satisfy M. de Masirevich, who went on reading out his list: Hungary had all along tried to play the part of a mediator between Italy and ourselves. His Government would have to relinquish this rôle if we continued to be friendly with the Yugoslavs. In reply to this I told the Minister that this rôle of mediation had quite often been a nuisance to us, since it had always resulted in Hungary's demanding that we should turn the other cheek to snubs from Mussolini and his Government. If Hungary wanted to stop acting as mediator, then I had no objection.

The Minister then also complained that our press had not shown Hungary sufficient friendliness in reporting the dispute between Yugoslavia and Hungary over the responsibility for the murder of the King. I challenged this, and refused to discuss this matter any further.

M. de Masirevich then asked for information about the Eastern Pact, the Saar question, our relations with Great Britain, the present state of our relations with Italy—questions which I answered only very briefly.

With regard to Gömbös' visit to Warsaw,⁵ the Minister said M. Gömbös had found that feeling towards Germany was steadily improving there; whereupon I told him I was quite sure that the Poles would particularly welcome the plans for a closer alliance between Hungary and Czechoslovakia which he had mentioned earlier.

V. N[EURATH]

⁵ See document No. 269, footnote 3.

No. 337

6115/E454923-24

The Minister in Austria to the Foreign Ministry

Telegram

URGENT

No. 102 of November 19

VIENNA, November 19, 1934—7:55 p.m.

Received November 19—10:20 p.m.

II Oe. 3205.

With reference to your telegram No. 111 of November 17.¹

Prince Erbach returned today and informed me of the details concerning the transfer of Austrian refugees from Yugoslavia. I had

¹ This telegram (8651/E605779-80) informed the Legation in Austria of Hitler's order that the Austrian refugees in Yugoslavia were to be transferred to Germany as soon as possible, and it requested Papen's views on whether the Austrian Government should be

already been told by Secretary General Peter,² whom I saw by chance only today, that a number of Austrian refugees had left for Split to embark there. He attributed this to the efforts of the Yugoslav Government to revise their own *émigré* policy before the League of Nations Council dealt with the Memorandum on Marseilles³ and the *émigré* policies of other States. I shared the Secretary General's view.

According to your telegram, Lloyds' ships were not due to arrive at Sušak until the 28th; I am therefore surprised that the action is apparently already in progress. I should not be in favour of informing the Austrian Government that the refugees had travelled to Germany by sea on their own initiative and at their own expense, since this would not be credited here. I would suggest rather that the Austrian Minister in Berlin be officially informed.⁴ We must in any case expect that this action will be fully exploited against us, the more so since the Austrian Government constantly reproach me with our not having kept our promises regarding the dissolution of the Austrian Legions. Our failure to clarify this matter puts me in an impossible position here and damages the Führer's authority, since he ordered the dispersal of the Legions two months ago.⁵ I should be grateful if the Foreign Ministry could inform me as soon as possible that the Führer's order has been carried out.⁶

PAPEN⁷

informed, after their departure, that the refugees were travelling to Germany on their own initiative and at their own expense and would have to be admitted for humanitarian reasons, and whether the Yugoslav Government should be informed of the proposed *démarche*. Further material concerning the Austrian refugees in Yugoslavia has been filmed on Serial 8979.

² Franz Peter, Secretary General of the Foreign Affairs Department of the Austrian Federal Chancellery.

³ See Editors' Note, p. 468.

⁴ A note by Renthe-Fink, dated Nov. 24 (6115/E454928), to Köpke reads: "The State Secretary, whom I have informed of your point of view [presumably expressed orally], agreed that no *démarche* should be made with the Austrian Government, particularly since the fact of the Austrian refugees' departure from Yugoslavia has in the meantime become widely known."

⁵ See document No. 183.

⁶ See document No. 347, footnote 4.

⁷ Marginal note: "The Führer has stated that the dissolution of the Legion was in full swing but would take some time yet. v. N[eurath], Nov. 21."

No. 338

115/E580954-55

The Foreign Ministry to the Embassy to the Holy See

BERLIN, November 19, 1934.

[zu] II Vat. 1277¹ II.

With reference to your telegrams Nos. 96 and 97 of November 16.²

¹ Telegram No. 97; see footnote 2 below.

² Neither printed (8115/E580950; 52); these telegrams reported confidential information as to the Cardinal Secretary of State's supposed intentions regarding further negotiations on the Concordat.

On Saturday (November 17) the Nuncio asked the competent official for Vatican Affairs to call on him and told him that the Holy See, in agreement with the representatives of the German Hierarchy, was of the opinion that the new draft text submitted to the Bishops by the Reich Government on November 7³ took account of the Vatican's wishes only on unimportant points but otherwise adhered in content to the draft of June 29 which the Church had already rejected. In the circumstances, it seemed premature and inadvisable to send Ministerialdirektor Buttman to Rome to resume direct negotiations.

When the Nuncio was asked what he had in mind regarding the further *modus procedendi*, since, as was known, the last conversation with the Bishops had come to nothing, they having declared on the controversial points that they were bound by the Holy See's strict instructions contained in the September draft⁴ and could therefore only take note of the Reich Government's counter proposals, he replied that he had received no instructions on this; nevertheless, it seemed most expedient to him to resume contact with Bishop Berning.

Monsignor Orsenigo did not give any precise details about the Vatican's objections. He merely emphasized the need for a satisfactory settlement regarding dual membership.

Ministerialdirektor Buttman has been informed of the Nuncio's statements and of the two telegrams under reference.

The Nuncio enquired by telephone today whether a decision had already been taken following Saturday's conversation. He was informed that Ministerialdirektor Buttman would naturally not now go to Rome and that the Reich Government would now wait and see what happened.

By notifying the Vatican of their intention to send Ministerialdirektor Buttman as soon as possible, the Reich Government have given fresh proof of their readiness to come to an understanding. They are now leaving the initiative to the Holy See and will, for the moment, await the further action which, according to telegram No. 96, the Nuncio may be expected to take.

By order:
MENSCHHAUSEN

³ Not printed (8115/E580899-904); this draft, whilst retaining the main text of that of June 29 (see document No. 50 and footnote 3 thereto), contained certain additions; according to a note by Menschhausen dated Mar. 8 (8115/E580905-06) it was handed to the delegates of the German Hierarchy by Buttman.

⁴ Not printed (8115/E580820-30); see also document No. 212.

No. 339

The Ambassador in Poland to the Foreign Ministry

9171/E644985-91

A 213

WARSAW, November 19, 1934.

Received November 22.

VI A 5241.

POLITICAL REPORT

Subject: Conversation with the Foreign Minister on minorities questions.

With reference to your instructions of November 14, VI A 4849.¹

In accordance with your instructions, I have today discussed with the Foreign Minister, M. Beck, the *démarche* of the Polish Government on the question of minorities. In so doing I adhered closely to the form and wording of the above-mentioned instructions and only somewhat changed the presentation and the nuances of certain of my arguments where I thought it necessary to do so—from my knowledge of the character of the Foreign Minister—in order to prepare the ground for a not wholly unfavourable reception of the statements which I had to make, and which were naturally not very welcome to him. In particular, I strongly emphasized our desire for a reanimation of German-Polish relations and indicated that the present *démarche* was also directed towards this end. In this connexion I thought I should also indicate that the Führer and Chancellor had manifested special interest in the question. In addition to the comments on the unfavourable position of the German minority—with which, according to paragraph 6 of the above-mentioned instructions, my representations were to end—I asked as a favour that definite instructions to subordinate officials might be issued to ensure that the treatment of the minorities should correspond in practice to the spirit of our policy of understanding.

M. Beck, who did not display any particular surprise or uneasiness on any point in my statements, replied substantially as follows:

He wished first of all to say how great was the respect which was felt in Poland for the Reich Chancellor and how greatly the courageous and loyal sentiments with which he had approached the German-Polish problem were appreciated. More particularly in connexion with the minority question, the Reich Chancellor, in his telegram in reply to the profession of allegiance from the representatives of the minority at Toruń,² had displayed an attitude which had attracted considerable attention here. The esteem felt for the Reich Chancellor here was

¹ Document No. 325.

² Not found.

general, and what he had told me concerning this was not only his own opinion but also, as he had again been able to confirm in the past few days, that of Marshal Pilsudski and of the Minister President.³ I could therefore be certain that every suggestion which emanated from the Reich Chancellor or his Government would from the start receive thorough, impartial and benevolent consideration. Where the Polish declaration in Geneva on the minorities question was concerned, he wished once again to state emphatically that this *démarche* was in no way directed against the German minority. Rather had this step been provoked by the incredible treatment to which the League of Nations had latterly thought fit to subject Poland. There were people in the League of Nations who could do nothing but make trouble for themselves and others and who showed no understanding for concrete facts. He had been trying by word and deed, for the past year, to make the League of Nations understand that Poland would not tolerate such treatment any longer and that things could not continue in this way. Since Geneva had shown no discernment, Poland had finally been compelled to declare herself, and he was pleased to see from my statements that we understood the Polish point of view. But all that had nothing to do with the German minority. He could assure me that minority rights would continue to be safeguarded under the Polish Constitution. These rights, which doubtless would be taken over from the old Constitution to the new, were not based on any theoretical considerations, but conformed to Poland's idea of the concept of the State, and of coexistence for the different strata of the population. Moreover, he did not believe that these principles were a mere dead letter. The Pole was thoroughly well-disposed towards other national and racial groups and wished to live with them in peace. There was certainly a serious economic crisis at present and it was possible that owing to this, a certain acerbity might sometimes creep into relations between the native population and the minority. But he was convinced that this too would gradually improve. If everything was not as it should be at subordinate levels of the administration, he was quite willing to speak to his colleagues and suggest to them that they should again inform the departments under them of their policy—which, moreover, accorded with the principles laid down by him—and he hoped that this would have a beneficial effect. Much depended, of course, on the press and it was only natural that a press in which the Jewish element was represented in such unusual strength as it was here, should evince a certain amount of resentment against Germany. But here, too, he would endeavour to bring about a gradual improvement. An important factor here was that the Government press had at its disposal a number of journalists of high standing, such as Miedzynski and

³ Dr. Leon Kozłowski.

Matuszewski, and just as the Government press—with some exceptions—had refrained from publishing the numerous reports against Germany originating in other foreign countries, so he hoped that in the minorities question too it would be possible for public opinion to be brought round gradually to a reasonable point of view.

The Minister concluded his remarks on his "theoretical" attitude to this problem with the question whether, with regard to the practical treatment of the minority, I could give him a few concrete details of matters which seemed to us to give grounds for complaint. I replied that at present I had only been instructed to discuss the theoretical side of the problem with him, and that my instructions did not contain any indication as to which specific cases my Government had had in mind when drawing attention to the present unsatisfactory situation. I would be glad to obtain further instructions on this, but for my own part was also prepared in the meanwhile to give him some details on this problem based on information which I had received here from time to time. I began by dealing with the question of the schools and drew attention to the difficulties with which the education authorities were being confronted in running their schools; I also spoke of the strange policy of transferring experienced head masters to the Eastern provinces and replacing them by unsuitable personnel. Lastly, I mentioned the restrictions which were being placed on the teaching of German and which, however understandable might be the desire that members of the minority should have a sound knowledge of the Polish language, seemed to me to be very much exaggerated and calculated to result in its scarcely being possible any longer to consider the schools of the German minority as institutions providing a German education. I then went into the conditions in Upper Silesia in some detail and mentioned especially the numerous dismissals of workmen and employees, which could be traced for the most part to the fact that the persons concerned had openly professed their allegiance to the minority. It must unfortunately be said that in general those who made such profession were often subjected to most serious discrimination and were regarded by subordinate officials as disloyal citizens, a point of view which I could hardly regard as conforming with the intentions of the central authorities. In particular, I must further draw attention to the activities of the League of Insurgents⁴ which, in resolutions passed at their periodical meetings, again and again demanded that the minority schools should be abolished and that all those who still dared to send their children to a German school should be persecuted. All this gave me the impression that, not only amongst many subordinate administrative officials but also in certain sections of the population,

⁴ The League of Silesian Insurgents, which operated in that part of Silesia which had been assigned to Germany under the Treaty of Versailles, with a view to its union with Poland.

there was not much trace of the new spirit of understanding, and I could not but be grateful to the Minister if he intended to cause the views prevalent in Warsaw, which were undoubtedly very different, to find general acceptance.

When the Minister had once more declared his readiness to do this, I asked him if he did not think it would be useful if either he, or the Minister President, or the Minister of the Interior,⁵ were to make a public declaration, either in the Sejm or in any other way which might seem appropriate, expressing what was—as I could see—our common point of view. M. Beck replied that he was most grateful for this suggestion, which seemed to him very worthy of consideration, and that he would be happy to examine this matter further. I ended by thanking him for his sympathetic reception of my statements and, again stressing the value of open discussion, I gave him to understand that in any future discussion on this question, I would approach him with confidence; this he acknowledged by nodding his head.

It would be advisable that the possibility, which we may now take to exist, of further discussions on the minorities question should not be made use of too frequently, so as to prevent any appearance of intervention on our part. In any case, it might be for consideration whether at a later date M. Beck should not perhaps be given a short summary of our most serious grievances.

Further, it appears to me that this conversation also confirms, as I have already stated in my report of October 16 last, J. No. 1046,⁶ that the Poles are entirely sympathetic to our making known our interest in the minority, and that the present suppression throughout the German press of reports on minority troubles, with the object of encouraging German-Polish relations, is not necessary and indeed tends to arouse mistrust.

At today's conversation with M. Beck I also pointed out, as instructed, that with regard to our press policy, it is becoming increasingly difficult to maintain the restraint shown hitherto, as it accords too little with popular feeling.

MOLTKE

⁵ Marjan Zyndram-Kościałkowski.

⁶ Not printed (6177/E464087-95).

No. 340

2406/510876-77

Memorandum by the State Secretary

BERLIN, November 20, 1934.

During his visit yesterday I spoke to the French Ambassador, as instructed, about the Saar negotiations and told him that our delegates

had met with a certain amount of understanding and obligingness on the part of the French, while the Committee of Three and the Finance Commission still entertained erroneous ideas about the competence of the Council of the League of Nations. Our delegates were going back to Rome with fresh instructions.¹ The result of the negotiations depended to a large extent on the discernment of and instructions to the French delegates. The Ambassador, who clearly had not been informed of the instructions to the French delegates, replied that he had always told us that the French Government were willing to negotiate, and that we should make use of the Flandin-Laval prospect [*Konjunktur*].² Then he recollected himself and explained at some length that the present Cabinet would last a long time. The Chamber was aware that at the moment another Government was not possible and that if Flandin fell this would result in the Chamber being dissolved.

The Ambassador then went on immediately and of his own accord to speak of the disarmament question, reasoning along the same lines as when speaking with the Reich Minister some days ago.³ He gave me clearly to understand that France was prepared to accept such German armaments as were already completed, but that the situation must be legalized in some way. This, however, was only possible in connexion with the security question. He did not wish to recommend to us once more the Eastern Pact, which we had unfortunately refused, although this was by no means dead yet. We must however consider what other guarantees of security would be acceptable to us. If the Eastern Pact came into being (the Ambassador meant without us), then one might perhaps be able to build further on this basis. He had no instructions to discuss this with us, nor had he any ideas as to what might be for consideration. I drew the Ambassador's attention to the absurd construction of the Eastern Pact, and said that we did not refuse security pacts in principle if they bore some relation to reality. As for the League of Nations (which the Ambassador had praised in connexion with the Saar question as a most important instrument for peace) we were not interested in it. In the first part of the disarmament convention, as it had previously been planned, all kinds of security clauses had, however, been embodied, to which we had in principle agreed. Perhaps amongst these there were some which might be used for a future solution of the disarmament problem.

BÜLOW

¹ See document No. 342.

² The French Cabinet was reconstituted on Nov. 8, 1934, Flandin becoming Minister President and Laval retaining his post as Foreign Minister.

³ See document No. 330.

No. 341

3015/596301-02

Memorandum by the State Secretary

BERLIN, November 20, 1934.

When he called today the Lithuanian Minister¹ expressed the hope that a German-Lithuanian *détente* could soon be achieved. He mentioned the familiar complaint about intervention in Memel Territory affairs and also spoke about the trial which begins on December 14.² He estimated the duration of the trial as two months or at most three months.

I replied very sharply that we had no occasion at present to trouble ourselves about the possibilities of a German-Lithuanian *détente*. The innumerable Lithuanian violations of the Memel Statute³ made any *rapprochement* impossible. The fact that the celebrated case would be heard before a military court was in itself a shady business. Much in our future attitude would depend on the conduct of this case; its result would probably make a good deal clear. Were Lithuania not a State adjacent to Germany, and were it not, in particular, a question of violence against Reich citizens and people of German origin, we should not concern ourselves with the matter at all, since Lithuania was, in fact, an exceptionally small State, whose conduct and circumstances could not materially affect us. Lithuania's economic troubles, of which the Minister had spoken, were not of the slightest interest to us by comparison with the innumerable breaches of the Memel Convention. The Minister was much cast down by my statements and said that there had certainly been faults on both sides. He was not asserting that German government authorities had been guilty of intervention in Lithuanian affairs. But he could not say the same of Party authorities. He possessed documentary evidence. He asked me whether I had read the indictment by the Lithuanian Public Prosecutor, to which I replied that I had not. I was only aware of some of the individual points, which had been reported to me orally, and I thought the indictment absurd. On his repeating his previous question, I told him again that we had at present no occasion to concern ourselves with the possibilities of a German-Lithuanian *rapprochement*. The pessimism with which he reproached me could only be removed by concrete facts, in particular by the Lithuanian Government's adopting a different attitude.

BÜLOW

¹ Dr. Jurgis Šaulys

² i.e., against Dr. Ernst Neumann *et alii*, see document No. 312, footnote 2. For an account of the trial and its background see *Survey of International Affairs 1935* (London, 1936), vol. 1, pp. 246-265.

³ See Editors' Note, p. 137.

No. 342

7947/E573509-10

*Unsigned Note*¹

BERLIN, November 20, 1934.

e.o. II SG.7839.

At a high-level conference held on November 19 in the Foreign Ministry² the German delegates to Rome were given fresh oral instructions for the continuation of negotiations with the Council's Committee of Three.

These instructions, in so far as they refer to the financial questions and the question of the mines, are:

A. Franc holdings

(I) Germany does not wish to derive any gain from the francs accruing to her upon reintegration of the Saar and will make them available to meet her own and the Saar's obligations in respect of the Saar.

(II) Germany is agreeable to the setting up of machinery whose task it will be to take charge of these francs and distribute them in accordance with the method of investment to be arranged amongst the interested parties.

(III) Care must be taken to ensure that this arrangement brings about no deterioration in Germany's foreign exchange position.

B. Three months' commercial credits

(IV) On these conditions (I-III) Germany is also prepared to make available to meet liabilities such sums in francs as are required by solvent Saar debtors for the discharge of their liabilities to foreign creditors arising out of trade bills with a three months' maturity, provided the bills mature before reintegration and at the latest on April 15, 1935.

(V) A prerequisite is a certificate from the *Chamber of Commerce* at Saarbrücken stating that the import of the goods forming the basis of the liability on the commercial credit was effected in the course of the debtor's normal business.

(VI) These sums in francs must be promptly placed at the disposal of the Saarbrücken branch of the Reichsbank for the discharge of such liabilities.

¹ According to the Journal this document was drafted by Strohm of Department II. Copies were sent to the Foreign Minister, the State Secretary, Köpke, Renthe-Fink, Gaus and Ulrich and a note by Strohm records that a copy was sent to Ritter with the Paris courier on Nov. 20.

² A manuscript record of this conference, which was attended by Schacht and the Minister of Finance, was prepared by Strohm (7947/E573511-16).

(VII) The Saar economy must immediately be given opportunity, by appropriate measures, of obtaining goods from the German customs area in an increasing volume.

C. *Mines*

(VIII) We are prepared to negotiate at once with the French on the question of the mines.³ Ministerialräte Dr. Litter and von Loebell are available for the conversations with de Peyster. A prerequisite for these would, of course, be to reserve our rights regarding all legal aspects and particularly reversion to the procedure laid down in Paragraph 36 of the Saar Statute.

³ In a draft of the document here printed (M25/M000892), this sentence reads: "We are prepared to negotiate at once with the French on the price of the mines in accordance with Paragraph 38 of the Saar Statute."

No. 343

7947/E573517-20

The Director of Department II to the Embassies in Great Britain and France, the Legation in Switzerland and the Consulate at Geneva

Telegram

IMMEDIATE

BERLIN, November 21, 1934—9:00 p.m.
e.o. II SG.7840.

- (1) To London No. 347
- (2) To Paris No. 625
- (3) To Berne No. 108
- (4) To Geneva No. 142

For your information.

With reference to our telegram¹

- to (1) No. 341
- to (2) No. 618
- to (3) No. 105
- to (4) No. 139

Laval's statements on the attitude of the Flandin Cabinet to the Saar problem which, on official instructions, the French Ambassador has once again emphatically repeated here,² indicate a change in France's Saar policy which is apparently to be taken seriously. We have been confirmed in this optimistic view by Laval's statements in the Chamber,³ and also by the considerably more sober attitude of the French press during the past few days, but primarily by developments

¹ Document No. 335.

² See documents Nos. 330 and 340.

³ This presumably refers to a speech by Laval before the Foreign Affairs Committee of the Senate on Nov. 16.

in the Saar negotiations in the Committee of Three in Rome where, despite our attitude to most of the questions, which until now has been emphatically negative, the French delegates have expressed relatively moderate views and have shown no intransigent opposition whatever to the constant efforts to divert them from the line taken in the Barthou Memorandum.⁴ While the Memorandum in the first place pursued political aims, French interest in Rome has now quite clearly been centred on financial and economic problems, amongst which the questions of the mines and the use to be made of the franc holdings accruing to us in the Saar are under foremost consideration. We have been reliably assured by the Italians and also by members of the Financial Committee that the French are, in fact, now prepared for practical solutions in the two aforementioned important fields; this would, at long last, seem to provide an opportunity for a quiet and speedier settlement of the whole Saar question.

Despite serious practical misgivings we have decided, in view of this changed state of affairs, to submit to the French comprehensive fresh proposals for an amicable solution of the two questions: Our negotiators, who returned to Rome today, are accordingly empowered to continue the negotiations on the basis that we shall derive no gain from the francs due to us upon reintegration of the Saar, but that, on the contrary, we shall make them available to meet our obligations in respect of the Saar and for purposes of the Saar economy. These comprise the repurchase of the mines, the Saar's foreign currency debts, and the liquidation of current trade credits in respect of the Saar economy. With regard to the question of the mines we are, moreover, prepared to reach a bilateral understanding with the French—this obviously subject to a reservation on all legal aspects and the possibility of reverting, if necessary, to the procedure laid down in Paragraph 36 of the Saar Statute.⁵ Negotiations will start on the question of the Saar civil servants⁶ with representatives of the Governing Commission—all being well—in Berlin on November 26.

The continued favourable development of matters will now depend upon whether the French Government, for their part, are prepared to relinquish the political demands in the Barthou Memorandum (a second plebiscite, definition of the *status quo*, extension of the guarantee to persons not entitled to vote, the Jewish question). Through our conciliatory attitude in Rome we have now, for our part, given the French a chance of proving by deeds the sincerity of the French Government's new attitude as announced to us by Laval.

KÖPKE

⁴ See document No. 206, footnote 1.

⁵ See document No. 342, footnote 3, and Editors' Note, p. 229.

⁶ i.e., on the problem of the continued employment of Saar officials after reintegration.

No. 344

5669/H014944-49

*Memorandum by Director Weigelt*¹

131

November 22, 1934.

II Fr. 3919.

After the Conference of the Air Traffic Commission of the International Chamber of Commerce over which I presided as successor to Flandin on Nov. 19 and 20, I was received by M. Flandin, who greeted me as an old colleague in a very friendly manner and started the conversation with some questions on the work of the Committee.

Before the conference I had arranged with Ambassador Köster that, in my opening speech to the Committee, I should refrain from making Flandin any special compliments in advance and should, in my personal conversation with him, ascertain if possible whether he had any political hints to give us.

When he remarked that he was now burdened with more important matters than commercial aviation and that, above all, questions of internal politics were keeping him very busy, I replied, in order to guide the conversation into the desired channel, that it was my impression that his return to foreign politics had already had a beneficial effect on domestic questions in France, and that his energy and freshness would surely succeed in dealing with other questions. Although he emphasized once more that domestic questions were of paramount interest to him, he then turned to foreign politics and took the opportunity of asking me for some information on our economic situation. I described to him the intensification of home industry since the beginning of the Third Reich and, on the other hand, the difficulties of foreign trade. Fortunately French industry had not developed to such an extent in the years before the war that it was dependent in great measure upon foreign consumption in the way that German industry was. We had now recognized this error of ours, but for the time being we were dependent on foreign markets, which, unfortunately, were everywhere closed to us. There was no other way of restoring the balance in the exchange of goods than to try by all means to return to free trade. There had admittedly been much discussion in the committees of the International Chamber of Commerce and elsewhere on the possibilities of a multilateral clearing agreement, because the bilateral agreements were working badly; the only multilateral clearing which one could imagine would work was a free market. If one desired to return to reasonable economic conditions, then the prerequisite was always simply the restoration of confidence, and thus one always came

¹ Kurt Weigelt, director of the Deutsche Bank und Diskonto-Gesellschaft and member of the International Chamber of Commerce.

back to a political settlement of the situation as precondition for an economic revival.

Through these remarks Flandin returned to the purely political sphere and suddenly asked: "Do you consider that an improvement in the situation between Germany and France is possible?" He did not wait for an answer, and said he would speak to me with the same frankness with which he had recently discussed these things with Herr Köster,² in whom he had met an extremely capable representative of Germany. There existed among the French people a profound distrust of Germany's intentions. The main problem regarding Germany was, therefore, the question as to how one could obtain complete certainty as to Germany's future attitude. For him the maintenance of peace was the paramount problem.

I interrupted him to remind him of the Saar question which must first be solved. Flandin replied that the Saar question provided the desired opportunity for making certain about Germany's future policy. It would be for him the touchstone for future relations with Germany. He expatiated energetically on this subject and repeated three times that the French Government were in dead earnest when they declared that the Saar question involved no territorial objective for France. Nor had France any intention of acquiring any part of the Saar or even a single village. This was a matter on which he had no doubts. On the contrary, he hoped that the plebiscite, which he was convinced would show a German majority, would be so decisively in Germany's favour that no new problems would arise. In any case the French Government did not wish in any way to be suspected of having striven for any other solution than the return of the Saar to Germany.

Nevertheless the return of the Saar to the Reich must, on the other hand, not create the impression of a defeat for French policy, and he must energetically protect the interests of his country in this connexion. In particular, the reincorporation in the Reich must not, therefore, bring with it difficulties for those who, from various motives, had previously advocated retaining the *status quo* or who had maintained friendly relations with the French authorities in the Territory. If such should be the consequence of the loyal maintenance of the policy envisaged by him, then he would react with a brutality equal to the generosity which he had so far believed should be displayed. He regarded precisely this point—the attitude of the Germans subsequent to the return of the Saar—as a touchstone for his hope for permanent, sympathetic, friendly and neighbourly cooperation with France.

I reminded him of the difficulties which were to be expected on questions of detail, such as those of the mines. Flandin thought that, on all these individual points, ways would be found if only there were

² No record of such a conversation has been found.

a sincere desire to achieve the main aim. Where the special question of payment for the mines was concerned, he believed that this would be made easier by the fact that, through the return of the Saar, millions of francs would remain in the country; it would be a question of dealing suitably with the problem of the exchange of francs against marks, so that the German Government obtained the necessary amounts of francs for payment for the mines.

I asked Flandin whether, in view of the ever-present danger inherent in the treatment of questions of detail, he intended to arrange at once for a direct discussion, instead of dealing with all these questions through Geneva. Flandin said he would like to discuss this point, too, quite frankly with me. Since the road to Geneva had been taken and consistently followed by all his predecessors, he could not very well depart from it so soon. He thought he owed it to public opinion in France at first to follow the procedure previously observed, but one could arrange *mesures préparatoires*.

Flandin then continued with some warmth that he thought that to pursue such a policy in the matter of the Saar would result in great advantages for both countries, for it would be a remarkable success for the policies of both France and Germany to have achieved so smooth a settlement of a complicated question which today was a veritable hornets' nest. The other countries should see that Hitler's Germany—and Hitler in fact was Germany—had mastered this difficult problem calmly and with discipline and dignity. The *émigrés*, whose activities against Germany Flandin mentioned at this point, would then have to recognize that the policy of the Third Reich had not suffered the setback which they at present expected. Naturally there were many people—and this could not be denied—who recommended to him another policy, and one which did indeed aim at a setback for Germany. He was, however, determined to maintain the political line he had just described.

He asked me to make use of these remarks to others, should I think it opportune, and, since the name of State Secretary von Bülow had been mentioned during the conversation, it seemed to me that he wished them to be passed on to Herr von Bülow, with whom I was invited to lunch today.

The conversation then turned to other questions. Flandin wanted to know what we thought of the economic developments in America and England, and, speaking once again of the work of his Air Commission, he asked me to give his former colleagues his cordial greetings.³

W[EIGELT]

³ Handwritten marginal notes: (i) "RM. Dir[ektor] Weigelt (Dedi [Deutsche Bank und Diskonto-Gesellschaft]) has had a conversation with Flandin whom he has known well for years. In reply to a question from him, I told W[eigelt] that he could give this memorandum to Schacht and Köster as well. Bülow, Nov. 22." (ii) "[For] R[eich] C[hancellor]. v. N[eurath], Nov. 23." The memorandum was returned by the Reich Chancellery with a minute by Thomsen, dated Nov. 29 (5669/H014950), stating that it had been submitted to the Führer and Chancellor.

No. 345

8048/E578542-44

The Ambassador in Italy to the Foreign Ministry

Telegram

No. 277 of November 22

ROME, November 23, 1934—1:50 a.m.

Received November 23—4:50 a.m.

II Oe. 3234.

Today Suvich gave me the following information on Schuschnigg's visit:¹ The object of the visit had been personal contact and discussion of pending political questions. Economic matters had not been dealt with but had been set aside for Herr Schupoller [*sic*]² who was arriving on the 26th. The question of Austria's financial position was touched upon and it was established that this was not serious; Austria attached very definite importance to a conversion of the League of Nations loan because of the substantial saving which could thus be made. As to the political aspects, the principles of the Three Power Pact³ had been affirmed. Schuschnigg described the political situation inside Austria as quiet; nothing fresh had occurred with regard to relations with Germany. Papen was very active in establishing contact with all circles but had not come forward with any kind of proposals. The idea of fresh elections which was constantly cropping up on the German side, was in Schuschnigg's opinion misleading, since there could no longer be any question of elections in the accepted sense under the new State system. Suvich said he had put to Schuschnigg, in the same way as he had put it to me, the idea of a pact of guarantee for about ten years with Germany participating.⁴ Schuschnigg had replied that this idea was new to him and he could therefore not give a positive opinion on it, but it was indeed worth considering. Suvich added that he still thought this would be the best solution for removing the present state of tension in a manner which would be satisfactory to all parties. I then asked Suvich what was the meaning of the constant emphasis on the possibility of other States acceding to the Rome Three Power Pact, and, at the same time, on the need to fulfil certain conditions. These passages would be taken by some as an invitation and by others, such as *The Times* for example, as precisely the opposite. Suvich replied

¹ The Austrian Chancellor had arrived in Rome on Nov. 16 accompanied by the Austrian Foreign Minister, Berger-Waldenegg, and Minister Hornbostel, the Director of the Political Section of the Foreign Affairs Department of the Federal Chancellery. For the official communiqué of Nov. 19, see *The Times* of Nov. 20. Hassell submitted a detailed report, I 1285 (8048/E578545-53), on the visit on Nov. 23. See also document No. 380.

² The Rome draft (9958/E696272-75) reads: "Schüller". Richard Schüller was the Head of the Economic Policy Department in the Austrian Federal Chancellery.

³ i.e., the Rome Protocols signed by Italy, Austria and Hungary on Mar. 17, 1934; see document No. 10, footnote 8.

⁴ See document No. 317.

that he could give me a full and authoritative explanation of the significance of these statements:

He must, in the first place, point out particularly that these passages referred not to Germany but to the Little Entente. There was no thought at all of Germany in this connexion, but two facts had been taken as a basis from which to proceed; firstly, that in the spring the three Little Entente States had already declared that they were prepared to accede, and secondly, that Hungary was quite determined to adhere to the political conditions she had laid down for accession. In reply to my question as to what was the substance of these conditions, he said that they were designed to maintain the possibility of revision. I hear that the Ministers of the Little Entente States here have, with reference to their repeated declarations that they were prepared to accede to the Three Power Pact, also enquired about the meaning of the passages mentioned. One of the three Ministers told me that the first reaction to their being prepared to accede had so far been an evasive reply, drawing attention to the negotiations between Austria, Hungary and Italy, which had still not been finally concluded. This was the first time that the acceptance of certain conditions had been demanded so pointedly. The Ministers of the Little Entente had asked the Italians whether Hungary's conditions were those already known, that is to say, recognition of the possibility of revision, protection of Hungarian minorities and equality of rights in respect of armaments. To this the Italians had replied that Italian opinion did not go as far as that; it would in principle suffice if the Little Entente for their part did not put forward any political claims. When the Ministers of the Little Entente had replied that actually they for their part were making no conditions, the Italians had answered that they certainly were doing so in that they were demanding of Hungary that she should raise no political questions, a demand which Hungary could not meet. The Minister thought they were, so to speak, going round in a circle from which no way out could yet be seen. As to Austria, he added that the Italians had requested Schuschnigg, should the Germans make any direct proposals, to act in the spirit of the Three Power Pact, that is to say, to get in touch with Rome.

HASSELL

No. 346

3058/609876-78

Memorandum by the State Secretary

BERLIN, November 23, 1934.

[e.o. II SG.8398.]¹

Reich Commissar Bürckel rang me up at 6:15 this evening and told

¹ Taken from the working copy (7949/E574152-54).

me he had just had a conversation with the Führer and Chancellor (in Berlin). It concerned the question of the police. We had so far taken the view that an international police force was unnecessary, since we were not contemplating a *Putsch*. The matter had, however, now changed. There was danger of a *Putsch* from the other side. There was conclusive evidence that the *émigrés* were preparing for a *Putsch* and were being trained in the use of machine guns and the like, and he would suggest that we should draw attention to this danger of a *Putsch* from the other side and to the necessity of maintaining peace and good relations between France and Germany and should ask for a contingent of plebiscite police composed of Swiss nationals. I asked Herr Bürckel what he meant by conclusive evidence. He said that affidavits had been obtained from a number of persons.

I told Herr Bürckel that the idea he was putting forward was not new. The Führer and Chancellor had already informed Herr von Neurath a few days ago² that it seemed advisable to him to call in neutral police, composed primarily of Swiss nationals, for the plebiscite, since in view of the present developments this would be in our interests. We had thereupon charged our Minister in Berne to take soundings, which had proved negative.³ In view of the small number of Swiss policemen and gendarmes available, it could not be a question of Swiss police but only of the army. Above all, however, constitutional or legal provisions prevented the use of Swiss forces outside the national frontiers. The clarification of the question had been unnecessarily complicated by unauthorized action on the part of Ferdinand von Stumm, who had, apparently on his own initiative (this had not yet been completely cleared up), entered into an exchange of views with Henri, the Swiss Commissioner for the Plebiscite. As I gathered from a letter in my possession sent to Ferdinand von Stumm by Henri⁴ and as, moreover, I knew from intercepted reports,⁵ Henri had it firmly fixed in his mind that there was a possibility of a joint German-French *démarche* with the Government in Berne. There was, however, no question of our approaching the French in order to arrange such a *démarche*, since for one thing we could not institute such negotiations under the pressure of the French frontier corps which had been mobilized. Above all, however, we could do nothing before making certain

² No record has been found. See also documents Nos. 328, footnote 3, and 335, footnote 2.

³ Acting on a suggestion put forward by a former State Secretary, Richard Kühlmann (II SG.7752 of Nov 15; 7949/E574102-04), Köpke informed the Legation in Berne in telegram No. 104 of Nov. 17 (7949/E574105-06) that Germany would not oppose the despatch of a Swiss contingent for police purposes. In telegram No. 97 of Nov. 20 (7949/E574130-31) Weizsäcker replied that the provision of such a contingent was out of the question.

⁴ The original of this letter of Nov. 16 (7949/E574109) was received in the Foreign Ministry on Nov. 22 under cover of a letter of Nov. 20 (7949/E574108) from the recipient to Köpke.

⁵ Not found.

that a possible German or German-French request would be met by the Federal Government in Berne. Otherwise we should have been admitting that the maintenance of peace and order in the Saar necessitated the calling in of outside troops and should thus, after a negative reply from Switzerland, have given justification for the French entry.

Herr Bücke recognized this danger at once.

I then added that I had heard of these misunderstandings with Henri only last night.⁶ We had informed Berne of them⁷ and in any case, we should now first have to wait for a further report from our Minister there. I told him, furthermore, that, according to foreign press reports, several dozen, if not several hundred policemen were being enlisted in Britain, Czechoslovakia, the Netherlands etc. for the Saar plebiscite. Unfortunately, we could not obtain any confirmation from the Saar. The only thing reported from there was the arrival of very small and insignificant groups of foreign recruits. Should the press reports be correct and several hundred foreign policemen be assembled through such recruiting, any request to Switzerland with all the dangers entailed could be avoided.

Herr Bücke fully agreed with this and promised to find out by midday tomorrow what the position was regarding the influx of foreign policemen of the nationalities mentioned.⁸

BÜLOW

⁶ See footnote 4 above.

⁷ In telegram No. 109 of Nov. 23 (7949/E574110-11) and despatch zu II SG.7914 II (7949/E574114) sent on the same day.

⁸ Marginal notes on the working copy (see footnote 1 above) which was marked by Köpke on Nov. 29 for circulation to Renthe-Fink and Strohm: (i) "Herr Strohm: Please discuss. Has Herr Bücke produced the data promised in the last paragraph? R[enthe-] F[ink]." (ii) "The matter has been dealt with under II SG.7752 [see footnote 3 above] and, as concerns the last paragraph, under II SG.7735 [M27/M000913-19.] St[rohm], Dec. 3." (iii) "To be filed. V[oigt], Dec. 9."

No. 347

6115/E454930-32

The State Secretary to the Führer's Deputy

BERLIN, November 23, 1934.

Sent November 27.

[zu] II Oe. 3205¹ Ang. I.

The Austrian Minister,² when recently calling at the Foreign Ministry,³ pointed out that the Austrian Government had been greatly disturbed by fresh reports which had reached them about the Austrian

¹ Document No. 337.

² Stephan Tauschitz.

³ The first two paragraphs of the document here printed summarize a memorandum by Köpke, dated Nov. 13 (6115/E454914-16), on his conversation that day with the Austrian Minister.

Legion. According to these reports the Legion had not only not been disbanded but had been re-formed, given new uniforms and, in addition, supplied with arms and ammunition. The headquarters of the Legion had once again been transferred to Munich. The Legion at present consisted of three regiments, and a fourth was in process of formation. Furthermore, a document had been intercepted in Vienna from which it emerged that explosives and ammunition were once again being smuggled into Austria through Switzerland. The Minister remarked that he could not in fact imagine that the Legion, contrary to all statements, was secretly being revived, but he was, nevertheless, very much impressed by the definite character of the reports (details of which may be found in the enclosure)⁴ and asked that they be investigated.

In reply, the Minister was told that the reports in question appeared to be unauthenticated but that the investigation would, of course, be carried out as requested.

As far as the Foreign Ministry knows, the source of these constantly recurring rumours about the Legion undoubtedly lies in the fact that the Legionaries are in part still stationed in their old camps and organized in their old formations, although the disbandment is already in progress. These rumours are, of course, apt constantly to revive mistrust of Germany and they constitute a serious hindrance to Germany's policy in her relations with Austria. Only recently Herr von Papen drew attention to this once again and asked to be informed as soon as possible about how this matter stood.⁵ It would therefore be extremely desirable, for reasons of foreign policy, if the disbanding of the Legion which is at present in progress could be speeded up as much as possible, despite the technical difficulties of which we too are fully aware.

The Foreign Ministry would, moreover, be grateful if the competent Party authorities could be caused to investigate and report on the various allegations and statements made by the Austrian Minister. I would ask you to inform me as soon as possible of the date by which the reorganization of the Austrian Legion is expected to be completed.⁶

BÜLOW

⁴ Not printed (6115/E454933). This enclosure contains information about the Austrian Legion supplied by Tauschitz on Nov. 13 in the conversation recorded in Köpke's memorandum of that date (see footnote 3 above).

⁵ With despatch II Oe. 3205 Ang. II of Nov. 30 (6115/E454934), the Legation in Vienna was sent copies of the document here printed and of a memorandum by Altenburg of Nov. 28 (6115/E454937-39) on a *démarche*, mainly concerning the Austrian Legion, made by the Austrian Chargé d'Affaires, Seemann, on the previous day. The Legation was at the same time informed of Hitler's statement to Neurath of Nov. 21 (see document No. 337, footnote 7).

⁶ Under cover of a letter dated Dec. 19 (6115/E454964-66), the Chief of Staff to the Führer's Deputy, Bormann, forwarded a letter dated Dec. 13 from the Chief of Staff of the SA, Lutze, stating that the Austrian Legion had been completely disbanded, that none of its members was armed, and that the rumours about the smuggling of arms and explosives into Austria via Switzerland were unfounded.

No. 348

5649/H002083-84

Memorandum by the State Secretary

BERLIN, November 23, 1934.

The American Ambassador called on me today, obviously with a bad conscience, and handed me an American Note regarding discrimination against American bondholders.¹ Although I was prepared to read the Note at once and give my views on it, he rejected this on the grounds that the matter was much too complicated to be dealt with in this way. I asked him whether the Americans intended to publish the Note, to which he replied in the negative. His Government had informed him, however, that they were compelled (under pressure from the interested parties) to publish a statement and would therefore like to have an early and, as far as possible, satisfactory reply to this Note, so as to be able to use this reply in the statement.²

We then spoke about other matters and at the end the Ambassador reverted to the contents of the Note and the position with regard to the problem. I pointed out to him that the American Government were taking an illogical and indefensible attitude for the sake of the interested parties at home and that the whole question could probably easily be settled if they could make up their minds to have negotiations between experts. I said I could also give him a whole string of quotations from speeches by the President and other prominent Americans championing the basic German standpoint. We were by now weary of these constant representations to us about alleged discrimination on our part when the Americans remained unwilling to seek practical solutions by negotiation.

The Ambassador agreed with me on all the main points but for his part emphasized that the Americans, in breaking away from their protectionist past, had to bear the problem of unemployment in mind. His Government feared that if they gave favourable consideration to the proposals which Germany may be expected to make, the unemployment figure would rise. I disputed this contention and said that we would certainly be able to make suggestions for an increase in German exports to America which would affect the labour market either not at all or not perceptibly. The Ambassador said in conclusion that this was not a German-American question, but that a solution presupposed an understanding between America, Britain and France.

BÜLOW

¹ This was Note 380 of Nov. 22, 1934 (5649/H002976-82). For the instructions to Dodd, including the text of the Note, see *Foreign Relations of the United States, 1934*, vol. II, pp. 396-399.

² A Note in reply was drafted by Ulrich on Dec. 10 (9119/E641883-90) but not despatched.

No. 349

9564/E673419

Memorandum by the State Secretary

BERLIN, November 23, 1934.

II Ung. 875.

The Hungarian Minister called on me today and spoke chiefly about his last conversation with the Foreign Minister¹ which had impressed him very much. He repeated to me with much greater moderation the questions he was instructed to ask, and assured me that it had not been the intention of the Hungarian Government to take us to task² or, for that matter, to threaten us with defection into the camp of the Little Entente. The Government in Hungary were not alarmed, but political circles in Hungary were, especially those who disapproved of the Government's pro-German policy. Consequently, the Hungarian Government had wanted to discuss their anxieties quite frankly, as between friends. Nothing was further from his or his Government's thoughts than to cast doubt in any way on the validity of the Reich Foreign Minister's statements. A particular source of worry to the Minister was the Foreign Minister's statement that he might possibly still reply to him in writing, and he requested most urgently that this should not be done.³ When a conversation became acrimonious it was far better not to record it in writing as well. I knew nothing about a written statement of views and I told the Minister this, without stating, as requested by him, that we would refrain from a written statement of views. The Minister furthermore assured me that he had reported in detail to Budapest on his last conversation with the Foreign Minister.

v. BÜLOW

¹ See document No. 336.

² Marginal note in Neurath's handwriting: "But that is just what he did when he saw me!"

³ Marginal note: "I shall not pursue the matter further, but I will not receive the Minister again for the time being. v. N[eurath], Nov. 24."

No. 350

3024/H045001

Memorandum by the Director of Department IV

BERLIN, November 23, 1934.

e.o. IV Chi. 2321.

During his visit today the Chinese Minister reverted to the alleged secret agreements between Germany and Japan and handed me the

24+⁽⁷⁰⁾

enclosed Note.¹ In this connexion he wondered whether a *démenti* by the German Government could not be issued in official form. I replied that during our last conversation² I had already stated (that there was no secret agreement of any sort between Germany and Japan and that no negotiations of any sort for such an agreement were in progress; all such rumours were without foundation).³ I asked him again to inform his Government of this. At the same time I indicated that a *démenti* seemed to me to be entirely superfluous, for it would attach to the reports a significance which they did not merit, and newspaper reports only led to big political arguments. We did not consider it practical to counter every journalistic conjecture with an official *démenti*. I agreed however to inform Herr Trautmann of his *démarche* so that he too could reassure the Chinese Government.⁴

MEYER⁵

¹ Not printed (6024/H045002); this Note, dated Nov. 22, referred to the recurrence in foreign newspapers of reports of a German-Japanese agreement and asked for information. In view of the activity of many German military advisers in China the Chinese Government could not remain indifferent.

An article in the *Daily Herald* of Oct. 22 had referred to a trade agreement for the exchange of soya beans for arms, ammunition and chemicals and reported that 500 German airmen and engineers would be sent to Japan in 1935. This article had formed the subject of despatch A 3690 of Oct. 22 from London (6024/H044989) and of telegram No. 21 of Oct. 23 from Nanking (6024/H044984). In his reply to the latter, telegram No. 10 of Oct. 23 (6024/H044986), Meyer described the article as pure invention.

² On Nov. 6, recorded by Meyer in a memorandum of the same date (6024/H044995).

³ Marginal note: "I should have no objection to a release by the Chinese Government in *Chinese* newspapers to the effect that their Minister in Berlin had been officially informed [here to follow the passage printed in brackets which was marked off thus by Bülow in the original]. Bülow, Nov. 23". In telegram No. 84 of Nov. 27 (6024/H045004) Bülow informed Trautmann to this effect.

⁴ Trautmann was so informed by Meyer in telegram No. 83 of Nov. 24 (6024/H045003).

⁵ In despatch e.o. IV Chi. 2383 of Dec. 4 (6024/H045014-15) the Embassy in Tokyo was informed of the contents of the document here printed and of the telegram cited in footnote 3 above.

No. 351

9074/E637037-40

Memorandum by an Official of Department II

BERLIN, November 23, 1934.

zu II M 1652.¹

The following took part in the interdepartmental conference on November 22, 1934:

From the Foreign Ministry:

Senior Counsellor Frohwein,
Vice Consul Hollberg,
Kanzler Eckhardt.

¹ This was an invitation, dated Nov. 10 (9074/E637042-43; 47-48), addressed by Frohwein to the departments listed in the document here printed, to attend a meeting on Nov. 19. In a subsequent communication of Nov. 17 (9074/E637051) Frohwein notified all concerned that the meeting had been postponed until Nov. 22. See document No. 253, footnote 5.

From the Reichswehr Ministry,
Ordnance Office:

Colonel Hederich,
Dr. von Mallinckrodt.

From the Reichswehr Ministry,
Foreign Department:

Lieutenant Commander Dr. Nolda.

From the Reich Finance Ministry,
Department I:

Regierungsrat Dr. Härtig.

From the Reich Finance Ministry,
Customs Department:

Ministerialrat Dr. Siegert.

From the Reich Ministry of Eco-
nomics:

Ministerialrat Dr. Koehler.

I informed the representatives of the various departments who were present about the international situation in the field of the arms trade, and in particular about the draft convention² which the Americans submitted to the Bureau of the Disarmament Conference in Geneva a few days ago, a copy of which had just arrived. A definite ruling about the participation of Government authorities in armaments transactions with foreign countries would only be possible when it could be foreseen whether a Convention would be concluded and what its terms would be. At present, however, a provisional ruling would have to be made since even now applications by the armaments industry for financial support from the Reich in export transactions had frequently to be dealt with.³ Quite apart from the position under international law, the Foreign Ministry would deem it most desirable as a matter of principle for the Reich not to give financial assistance (by underwriting guarantees and the like) for export transactions by the armaments industry, since it was, as a rule, not expedient to involve the Reich Government in such transactions which, as experience had shown, were often very delicate ones. On the other hand, however, the Reich Government would have to make sure that it could exert influence on business of the kind in question if this should become necessary for political reasons, for instance by prohibiting the export of armaments to some countries and favouring such export to others. If this ideal state of affairs could not be achieved at present owing to the great destruction of capital during the inflation, and if the Reich should be obliged to intervene with its own financial backing to assist such transactions in order generally to increase exports and supplies of foreign currency, this should at least be done in such a way as to give the maximum guarantee that the participation of the Reich would not become known.

It emerged in the ensuing discussion that the Ordnance Office always

² The Draft Articles for the Regulation and Control of the Manufacture of and Trade in Arms and the Establishment of a Permanent Disarmament Commission, which were submitted on Nov. 20, 1934; for the text see League of Nations: *Conference for the Reduction and Limitation of Armaments, Conference Documents*, vol. III, pp. 776-784.

³ See document No. 253.

has to be consulted by the firms wanting to export individual products of the armaments industry and that such export can only take place where the product in question has been released for this purpose by the Ordnance Office. In such cases it is the practice of the Ordnance Office to exclude from such permission certain countries to which we do not wish to supply arms. Otherwise, the Ordnance Office need not be consulted for each individual transaction, but it is usual for German firms doing big armaments deals abroad to get in touch with the Ordnance Office in advance, even when it involves products which have been released or countries to which such export is permissible. It was impossible to provide an explanation as to how the export actually takes place at the frontier posts in spite of the fact that the Customs authorities are still bound by the Law on War Material⁴—there are only two posts (at Stettin and Friedrichshafen) which have been authorized in special secret instructions to make exceptions. The question is dealt with by the office for the armaments industry, under the direction of Herr von Düring, set up by the Reich Corporation of German Industry [*Reichsstand der Deutschen Industrie*]. It is, at any rate, certain that products of the German armaments industry are already being exported in considerable quantity.

It emerged from the discussion of the question of credits that, in contrast to earlier practice when armaments deals were mostly made against payment in cash, nowadays nearly all such transactions are only possible if credits, in some cases long-term ones, are granted and that without credits the German armaments industry is quite unable to stand up to foreign competition. At my suggestion the representatives of the various departments who were present promised to use their influence as best they could to prevent the firms concerned from applying for Reich guarantees or credits for armaments orders from abroad. There was, however, general agreement that, in the existing circumstances credit would in many instances not be available without the intervention of the Reich and that as a result of strong foreign competition business would be lost which was of importance for Germany's armaments industry and her foreign exchange position. From the discussion on the form in which the Reich guarantee should in future be given, it emerged that the Reich Finance Ministry and the Reich Ministry of Economics took the view that, in the interests of preserving secrecy, it would not be advisable to bring in the Hermes Company,⁵ since as regards personnel this firm provides no guarantee of secrecy and since, furthermore, it is known that this firm works primarily for the Reich. The Revisions- und Treuhand-Gesellschaft⁵ is, on the other hand, better adapted to preserving secrecy if only by

⁴ See document No. 220, footnote 4.

⁵ See Editors' Note, p. 22.

reason of its activities as a whole. Although the bond of guarantee which the Revisions- und Treuhand-Gesellschaft issues in the case of Reich guarantees expressly contains, according to present usage, the words, "in the name of the Reich Ministry of Economics", it would nevertheless be possible for the Company to omit these words from the bond of guarantee and for the Reich's guarantee obligations to be settled between the Company and the Reich Ministry of Economics in a separate document. Ministerialrat Koehler said that he had instructed the Company some time ago not to accept any applications for Reich guarantees which expressly listed armaments products, but only those which listed for example machine parts, steel cylinders and the like. It was generally agreed that it was not possible at the moment to disguise the granting of Reich guarantees any better, but that the matter should be further discussed with a representative of the Revisions- und Treuhand-Gesellschaft.⁶

FROHWEIN

⁶ From a subsequent minute (9074/E637052) it is clear that the matter lapsed for several months owing to personnel changes in the Ministry of Economics. In reply to a query from Schmieden, of Department II, Hollberg minuted on May 3, 1935 (9074/E637053-54): "According to information from Dr. Vits [of the Treuhand-AG] the matter has been settled by the Ministry of Economics as follows: The Reichskreditgesellschaft will grant the exporting firms a credit which will in turn be directly guaranteed to the Gesellschaft by the Finance Ministry (i.e., leaving out the D[eutsche] Revisions- und Treuhand-AG and Hermes). By this procedure the Reich Government will to all appearances no longer be involved in any way. The Economic Department was not invited to take part in the negotiations."

No. 352

9937/E695610-11

Major General Fischer to General Fritsch

THE MILITARY ATTACHÉ

ROME, November 23, 1934.¹

SIR: In this special case I believe I may claim the right and indeed the duty to supplement the enclosed report,² which I have today submitted through the proper channels, by addressing you direct.

It concerns my audience with Mussolini which I described in my report and which I had to assume might possibly be submitted to the "Führer".

In his conversation with me Mussolini laid particularly clear emphasis on three points which I did not mention in my report in order not to prejudice the matter.

¹ The date of receipt is not recorded; the document was initialled by Fritsch on Nov. 29.

² The copy enclosed with this letter has not been re-filmed; it is identical with the report (printed as the enclosure to the present document) which was received in the Foreign Ministry on Nov. 27 under a covering note signed by Hassell, and dated Nov. 23 (5609/E402167).

1) He attached paramount importance to the position of the Reichswehr in the State in relation to the Party, and paid high tribute to the Reichswehr. He said he had the fullest confidence in the Reichswehr. It had proved over many years that it represented a strong support for the State.

Naturally I emphatically stated the view that exactly the same confidence must be extended to the Party as to the Reichswehr.

2) He expressed the hope that Colonel General von Blomberg and you, Sir, are exercising a decisive influence with the "Führer" in major questions not only of a military but also of a political character.

I naturally encouraged him in this view.

3) He harboured misgivings about the theorists of the Party (like Rosenberg and others) who were out of touch with the realities of politics, which were after all the heart of the matter.

I tried here again to convince him that in future arbitrary actions [*eigenmächtige Dinge*] would hardly occur again.

You will understand, Sir, that I did not mention these three points in my report in order to avoid embittering still further the personal relationship between the "Führer" and Mussolini, and thereby harming the affairs of both our countries.

I presume, Sir, that, in view of my last personal report in Berlin, Mussolini's current attitude towards us will be of interest to you.

It may be that we soldiers can still contribute something to a *détente* in the present situation.

I have the honour to be, Sir,

Yours etc.,

FISCHER
Major General

[Enclosure]³

5600/E402168-70

ROME, November 23, 1934.

II M 1810.⁴

To the Reichswehr Ministry

T 3/Attaché Group

REPORT 30/34

1) The receipt is acknowledged of your despatch T.A. No. 846/34 geh. T 3/Att. Gr. Ia of November 20, 1934, with all its enclosures.⁴

2) *My audience with Mussolini.*

After my return from Berlin, Colonel Roatta⁵ of the Italian War Ministry arranged an audience with Mussolini so that I might hand

³ See footnote 2 above.

⁴ Not found.

⁵ Col. Mario Roatta, chief of the Foreign Armies Department of the Italian War Ministry.

over the letter from Colonel General Blomberg thanking Mussolini for the reception of the German officers on attachment in Italy during the summer.⁶

Mussolini received me alone for a 20-minute conversation in his study in the Palazzo Venezia on Monday, November 19.

He had heard that I had just returned here from a short stay in Germany.

He first asked how things were in Germany at present. As I knew that, in view of the reports of the Italian Ambassador in Berlin, Cerruti,⁷ and of the constant influence exerted by his Under Secretary of State, Suvich, Mussolini, since the events of June 30, no longer rated the effective power [*Machtfaktor*] of our country as highly as formerly, I told him that I had returned to my post here with a feeling of pride in our country, after I had seen and heard, during recent days in Germany, with what steadfast purpose the State was being led and what unity prevailed among the individual institutions of the State.

He was visibly impressed by these words.

His second question concerned the relationship of the Reichswehr to the SA, the tasks of the SA and the arming of the SA and SS.

I replied to these questions as befitted our national interest and drew attention once again to the complete unity within these institutions.

He further asked whether the Luftwaffe was not also subordinate to Colonel General Blomberg, as in the letter of thanks only the Army and Navy were mentioned. I told him that the Air Ministry was a civil Ministry and outwardly had no connexion with the Wehrmacht. Naturally the directives for the future Luftwaffe would be given by the Reichswehr Minister.

Mussolini spoke very appreciatively of the Reichswehr.

He then turned to political matters and touched on Italy's basic political attitude towards Germany.

He said, and I quote: "You know of course that only the Austrian question stands between our two countries. Italy has always made clear her attitude to this question. In recent difficult years Italy has always supported Germany in her policy inasmuch as she has constantly espoused the cause of justice.

Italy has not betrayed Germany, for there is after all no alliance whatsoever between our two States."

I perceived quite clearly that he felt the need briefly to explain his policy once again to the Officer [Corps] [*dem Offizier gegenüber*] and to some extent to excuse it. It was unmistakably his intention that his views should reach Germany once more and this by military channels.

⁶ See also document No. 406, footnote 6.

⁷ See also document No. 383.

I did not consider it was for me to express myself on these basic political questions. I merely told him, that in the Austrian question we had done all we could to avoid giving even the impression of encroaching on Austrian independence.

The Italian Government would certainly have convinced itself of this already and would be able to continue to do so.

I emphasized that, in our present power-political situation, it would be madness to allow ourselves to become entangled in a warlike adventure over the Austrian or Saar questions.

Among other things the order given to the SA that, during the period January 10, 1935–February 10, 1935, no uniform was to appear in the Saar Territory,⁸ clearly demonstrated our attitude and our love of peace.

Mussolini described this order to the SA as brilliant [*genial*].

At the close of the conversation I expressed the hope, that the good understanding between the armies might also contribute to strengthen once more Italy's confidence in Germany.

Mussolini replied that he too cherished the same hopes.

FISCHER

⁸ See document No. 297, footnote 5.

No. 353

3241/702408

Memorandum by the Foreign Minister

BERLIN, November 24, 1934.

RM 1311.

The Nuncio informed me today that he was instructed by the Vatican to try to obtain information on the points still in dispute regarding the application of Article 31 of the Concordat¹ before a possible journey by Ministerialdirektor Buttman to Rome.² In the Vatican it was considered more expedient, in the first instance, to make another attempt here to reach agreement on the disputed points before Buttman came to Rome, as in the event of another vain journey by Buttman the situation would be made more difficult. To my question as to whether he had special powers the Nuncio replied that such was not the case; he was not indeed to conduct negotiations but merely to attempt by means of conversations with Herr Buttman to reach a further elucidation and *rapprochement* between the points of view. I told the Nuncio I would inform him through Herr Menshausen when these conversations could take place.³

V. N[EURATH]⁴

¹ See document No. 50, footnote 1.

² See document No. 338.

³ See document No. 361.

⁴ In a memorandum, RM 1312 of even date (3241/702409), Neurath recorded that the Nuncio had enquired about the Note of Sept. 2 (see document No. 195, enclosure) and had been informed that the matter would be looked into.

No. 354

7827/E56S415-16

*Circular of the State Secretary*¹

Telegram

BERLIN, November 25, 1934—1:15 p.m.
e.o. II Balk. 2808 Js.

For information and guidance on language to be held.

The Yugoslav Chargé d'Affaires² has made enquiries here regarding our views on the Geneva Note,³ and remarked at the same time that Yugoslavia did not wish any complications to arise, and that she was only concerned to prevent a repetition of such tragic events; Yugoslavia would be content with this moral satisfaction. An international settlement of the whole *émigré* question would probably contribute towards this.

Our attitude may be summarized as follows:

We condemn the assassination and fully understand Yugoslavia's wish to set in train a thorough investigation of the crime. Nevertheless, we consider it to be a mistake to do this through the League of Nations, if only because Article 11 has hitherto led only to further discord and never to a settlement of disputes. Otherwise, we judge the matter entirely objectively and with reserve, in the first place because we are no longer in the League of Nations, but also because we do not wish any complications to arise which threaten peace, and because, in our opinion, the focal point of the whole matter lies, after all, in the sphere of criminal investigation. The sharp tone employed by Yugoslavia, and the outspoken attitude of the two other nations of the Little Entente, have surprised us. If proposals for a reasonable settlement of the *émigré* question are made, we will not refuse to examine them. It will not do, however, to lay the acts of a few terrorists at the door of the entire community of political *émigrés*. It is precisely because police action was almost completely unsuccessful in this instance that the making of political capital out of what has happened, as the Little Entente clearly intends to do, is to be condemned.

BÜLOW

¹ Addressees were the Missions in Rome, Paris, London, Vienna, Prague, Budapest, Belgrade, Bucharest and Berne, and the Consulate at Geneva.

² S. M. Rasić.

³ See Editors' Note, p. 468.

No. 355

7477/H186840-43

The Ambassador in Great Britain to the Foreign Ministry

Telegram

MOST URGENT

LONDON, November 27, 1934—11:50 [p.m.].

No. 320 of November 27

Received November 28—3:35 a.m.

II Abr. 2678.

With reference to my telephone conversation of today with Herr Dieckhoff.¹

Sir [John] Simon asked me today to call on him and informed me that Sir Eric Phipps, whom he had summoned to London for two days for the purpose of giving him oral instructions, had been instructed to make a *démarche* with the Reich Chancellor today on the armaments question. Parallel with this he also wished to inform me of the matter, so that I could for my part inform Berlin.

He then said that the British Government were informed of Germany's rearmament, which they considered to be an established fact. For some time now they had been watching the process of German rearmament with grave concern. The subject would now be discussed at length tomorrow in the course of the debate on the Speech from the Throne. Winston Churchill would give figures for German rearmament and would attack the Government for insufficient counter measures. Baldwin would reply to Winston Churchill and he [Simon] himself would speak at the end of the debate.

The British Government considered the moment had come for them to express to the German Government their grave concern over the rapid progress of German rearmament. The Secretary of State then read me a memorandum which is to form the basis of the Government's statement. This states that German rearmament is a fact. It goes on to say that Germany is transforming the long-service Reichswehr into a short-service army of 300,000 (three hundred thousand) men and is equipping it with all kinds of modern weapons. The memorandum then goes on to point out the comprehensive further military possibilities resulting from the general training of all German youth fit to bear arms. With reference to air armaments the memorandum speaks of the creation of an air force, designed also for offensive purposes, of about 1,000 (one thousand) aircraft including also bomber aircraft.

It emerges from Simon's further observations that the *démarche* is not in the nature of an actual protest but represents a serious expression

¹ This telephone conversation was recorded in a minute by Dieckhoff (3154/671117-18); in it Hoesch had given the main points of his conversation with Simon, recorded in more detail in the document here printed.

of British disquiet. It seemed to me that it does not make a definite request, and I also had the impression that the *démarche*, in spite of the formal way in which it is being made, is intended to be of a friendly nature. The Foreign Secretary reserved the details of the statements to be made by Baldwin and Simon, which depended on the course of the debate, but he told me, with reference to the armaments debates in the French Chamber, that the British Government, as I would indeed have gathered from the facts he had given me, would be concerned to keep their observations about German rearmament within reasonable bounds.

I asked Simon whether he intended to make the fact of this *démarche* known. After some hesitation the Foreign Secretary said that this would indeed have to be done, but only in the form of stating that the British Government had been in touch with the German Government over the rearmament question. In this connexion he also told me that he would also inform the French, Italian and American Governments of the *démarche* that very day.

I then spoke as follows: If the British Government wished to discuss the so-called German rearmament in the House of Commons, then a survey of the most recent history of the disarmament question was also required. Two years ago Germany had been granted equality of rights by the Five-Power Agreement of December 1932,² though with the familiar qualification: "*dans un régime de sécurité*". In order to supplement this *régime de sécurité* the British Government had made various proposals, the first being the No Force Declaration of two years ago,³ then in the spring of 1933 the proposal for consultation in the MacDonald plan,⁴ then in March 1934 the guarantee of fulfilment of the disarmament convention that was to be concluded.⁵ Germany had accepted all these proposals forthwith. At the same time, during Eden's negotiations in Berlin⁶ almost complete agreement had been reached between Germany and Britain, with the unconditional approval of Italy and many other interested States. All these elements, from which a disarmament convention could easily have been constructed, had been rejected by France, so that no convention had come about and, two years after the promise of equality of rights, Germany was still faced with the fact that her just claims were unfulfilled. Germany was in no way responsible for these developments, and I should therefore consider it proper for the British Government representatives to include this account of what had happened in their statement.

² For this Declaration of Dec. 11, 1932, see vol. I of this Series, Editors' Note, p. 19.

³ For these British proposals of November 1932, see *British Documents*, Second Series, vol. IV, Nos. 170 and 183.

⁴ See document No. 25, footnote 6.

⁵ The reference is evidently to the British Memorandum of Jan. 29, 1934; see document No. 4, footnote 4.

⁶ Eden visited Berlin Feb. 19-23, 1934; see vol. II of this Series.

Simon did not deny the convincing force of these arguments but he said that at the moment it was not so important to establish the responsibility for the present difficult situation, with all the irritations that must arise therefrom, but rather that one's eyes should be fixed on the future shape of events. He looked upon today's *démarche* in this light too, and it might perhaps provide a point of departure for fresh developments which must ultimately result in general agreement about the armaments question.

In my view the *démarche* can in the first place be attributed to the British Government's need to give Parliament a proof of their activity in tomorrow's debate. On the other hand the British Government must also have considered it necessary to express their views on the problem of German armaments at the present time because of the ridiculous figures about German rearmament which had been reported to Britain from the debate in the French Chamber and from the French press, together with a similar campaign by the *Daily Mail*, which has recently threatened to create too much confusion of opinion here and has made it desirable to give clear and more or less reasonable information.

The British *démarche* did not appear to me to be actuated by ill will, but, since it is the first occasion on which this delicate subject is being raised formally, it will have to be taken seriously.⁷

HOESCH

⁷ Another copy of the telegram here printed (C85/001447-50) is marked "The Führer is informed. L[ammers], Nov. 29".

No. 356

2368/494077-79

Memorandum by the Foreign Minister

BERLIN, November 27, 1934.

RM 1329.

The British Ambassador came to see me this morning and spoke as follows:¹ His Government had instructed him to inform the Reich Chancellor and myself that, in connexion with the debate on the reply to the King of England's Speech from the Throne in the House of Commons,² they would be forced to discuss German armaments. Notice had been given of a question [*sic*] by Winston Churchill in which he would vehemently attack the Government for their attitude in the armaments question. The British Government would have to define their position with regard to this subject, and they would there-

¹ See also document No. 355.

² This debate took place on Nov. 28, 1934, when Churchill moved an amendment to the address. See *Parl. Deb., H. of C.*, vol. 295, cols. 857-982.

fore make a statement, which he would read out to me. Sir Eric Phipps then read out the text of the statement, which ran roughly as follows: The British Government were exceedingly impressed by Germany's armaments measures, which she had carried through with the utmost rapidity. According to the information available here, Germany was engaged in transforming her army of 100,000 men into one of 300,000 composed of 21 divisions with the appropriate technical equipment and long-range artillery. Then followed details of the figures given in the Reich Budget; here the considerable increase in the aviation appropriations was mainly brought out. The statement then continued: The armaments in the air were particularly disquieting. There were reports that Germany had built and was building not only fighter aircraft, but also bombers, that the number of these aircraft at the moment came to 1,000,³ and that construction of aerodromes and factories for building aircraft was progressing at speed. The British Government deplored these measures, which constituted an obvious threat to peace. I told the British Ambassador that although I realized that the British Government found it difficult to avoid a debate on armaments questions in the House of Commons, I, for my part, nevertheless regretted that they felt obliged to make use, in a Government statement, of data concerning German armaments based merely on agents' reports. I emphatically pointed out that the figures read out to me were all incorrect. If the British Government talked about a state of panic, they were themselves responsible for matters having come to such a pass. We had waited fourteen years for a start to be made on fulfilling the promises in the Treaty of Versailles concerning the disarmament of heavily armed States. We had repeatedly declared that we would no longer put off providing ourselves with such arms as would enable us to defend our country. We had this spring openly given Mr. Eden⁴ the figures which we regarded as necessary for our defence forces [*Verteidigungswehrmacht*]. The only result of our giving this information had been that France had refused to discuss armaments questions at all. I had not observed that Britain had exerted herself to get the French to change their minds. It had been clear from the figures in our Budget that we were going to begin on our armaments this year. We would not allow ourselves to be deflected from carrying through these armaments, which fell within the framework of our statement to Mr. Eden. There had been only one alteration in the data given to Mr. Eden, namely, that we had also begun

³ The German Foreign Ministry was informed by the British Counsellor of Embassy, Newton, at 5:20 p.m. on Nov. 28, (5740/H031808), that this figure would be modified. Baldwin would say that, according to one source of information, Germany possessed 600, according to another "not more than 1,000" aircraft. See also document No. 358, footnote 6.

⁴ See document No. 31, footnote 12.

to build bomber aircraft. At the time we had told Mr. Eden that we would wait two years before beginning to build bomber aircraft, on the condition that at the end of these two years at the latest it should have been decided to abolish bomber aircraft everywhere. Since there had not been any discussions on the armaments question at all we were no longer bound by the conditional assurance which we had given at that time. Moreover, I must most emphatically refute the assertion that we were preparing for an offensive war. The Ambassador then contented himself with saying that he hoped he would be allowed to repeat to the Chancellor the statements he had made to me.

V[ON] N[EURATH]

No. 357

7947/E573610-14

*Minute by the Foreign Minister*¹

[BERLIN], November 27, [1934].

II SG.8149.

The Reich Chancellor has stated that we should agree to the two claims (a) and (b). These trifles did not matter when it came to a settlement of the Saar question.²

V. N[EURATH]

¹ The minute here printed is in Neurath's handwriting; it bears a marginal note in Strohm's handwriting: "The above is a minute by the Foreign Minister on the report he made to the Führer on November 27, 1934, on the strength of the attached memorandum." No other record of this report has been found.

² In a minute of Nov. 28 (7947/E573618) Strohm noted that he had telephoned instructions to this effect to Voigt.

[Enclosure]

Apart from the financial and economic questions, there are also being discussed in Rome³ certain temporary political measures which the League of Nations Council considers necessary to facilitate the change-over in the Saar régime. The main points concerned in this matter are as follows:

(1) Already in June of this year⁴ we assumed the obligation to the Council not to take any retaliatory measures whatever against persons entitled to vote on account of the political views they had held regarding the plebiscite. The performance of this undertaking was at the time made subject to international control in such a manner that persons entitled to vote could, if necessary, lodge complaints with the International Plebiscite Court in the Saar within a period of one year.

³ Fuller details of the negotiations in Rome have been filmed on Serial 7947.

⁴ See document No. 255 and footnote 2 thereto.

Moreover, German-French divergences of opinion on the interpretation of the German undertaking could, in certain circumstances, be submitted to the International Court at The Hague.

We are now required to extend this guarantee to residents in the Saar who are *not* entitled to vote. This extension is not, however, to benefit the real *émigrés*. This has been ensured by the stipulation that the extension of the guarantee is to apply only to such persons who, on the date of the plebiscite, have already resided in the Saar for more than three years.

(2) The Committee of Three wishes to grant all Saar residents the right to leave the Saar within one year starting from the date of reintegration and to take with them all of their movable property. We have accepted this idea, since we are not interested in keeping any undesirable people in the Saar. We have, however, put forward the proposal that, where the migrating persons are German Reich nationals, their certificate of departure will have to be regarded as forfeiture of Reich nationality. The Committee of Three has rejected this proposal, as the Council of the League of Nations could not, for its part, assist in creating a fresh group of stateless persons.

(3) Furthermore, it is the intention of the Committee of Three to impose certain restrictions on us for the first year after reintegration with regard to the introduction of German legislation. For this purpose the Committee suggested to us in the first instance a formula⁵ which did not seem acceptable, not so much because of its basic subject matter but because of the sharp criticism it contained of the new German legislation. After lengthy negotiations we have now worked out a formula to the effect that during the first year no German laws may be applied which involve discrimination on grounds of language, race or religion. This means, in practice, that we cannot put our Aryan legislation into effect during the first year. We have declared this formula to be acceptable on the condition that such special treatment shall only be applied to those of the Saar residents who have decided to leave the Saar Territory, but this has been rejected by the Committee of Three.

Accordingly, the following two questions remain to be decided:

(a) Should we grant all Saar residents the right to leave without making migration tantamount to forfeiture of Reich nationality?

(b) Should we resign ourselves in general to the non-application of our Aryan legislation to all residents of the Saar for one year?⁶

The possibilities for negotiation in Rome have been exhausted. If we make a negative reply to questions (a) and (b) it must be taken for

⁵ Hassell reported the text of this formula in telegram No. 266 of Nov. 12 (7947/E573526-29); an annotated version (7947/E573615-17) has also been found.

⁶ Marginal notes in Neurath's handwriting against both (a) and (b): "Yes."

granted that the League of Nations Council will claim the right to impose this ruling on us without our consent. Unlike the Committee of Three, we are of course of the opinion that under the Versailles Treaty the Council has no authority to do this; we should, however, only be able to have this divergence of opinion on the interpretation of the Versailles Treaty resolved, if at all, by wearisome proceedings before the International Court at The Hague. This would defeat the purpose of all the negotiations in Rome which was to settle, if possible, all technical questions before the plebiscite so that the reintegration could subsequently proceed without delay. On the other hand it must be taken into account that if we were to allow the Council to impose its decisions on us without arbitration on the question of interpretation, we should then be setting a precedent for the Council to impose on us in the further course of events rulings of this kind in other respects as well. It is therefore of considerable importance to us that an agreement should be reached and that the Council should not make unilateral decisions. For this reason Baron Aloisi, who is conducting the negotiations of the Committee of Three quite objectively and impartially, has also recommended urgently in a conversation with Ambassador von Hassell⁷ that the proposals of the Committee of Three be accepted.

⁷ This was reported in telegram No. 287 of Nov. 26 (7947/E573608-09).

No. 358

7477/H186844-46

Unsigned Memorandum

OBSERVATIONS MADE BY THE FÜHRER AND REICH CHANCELLOR TO THE BRITISH AMBASSADOR ON THE NOTIFICATION GIVEN ON NOVEMBER 27 OF THE BRITISH GOVERNMENT'S STATEMENT IN THE HOUSE OF COMMONS CONCERNING GERMAN ARMAMENTS¹

The Chancellor observed that he had offered over and over again to come to an arrangement on the armaments question. The other States, however, had not followed up his offer. [He could not keep up the gesture of the outstretched hand for ever, as his arm would get cramp.]² In the spring he had made Eden an offer of an arrangement

¹ The debate in the House of Commons took place on Nov. 28, 1934; see document No. 356, footnote 2. From a letter sent to the Reichswehr Ministry and to the Reich Air Ministry (see footnote 2 below), it is clear that this interview between Hitler and Phipps took place on the evening of Nov. 27, and that Neurath was also present.

² The passages in square brackets were not included in the copies of this memorandum (M33/M000979-81) which, together with copies of documents Nos. 355 and 356, were sent to the Reichswehr Ministry and the Reich Air Ministry with a covering letter of Nov. 29 (7477/H186847-48). The document here printed also shows other pencil alterations, largely of a stylistic nature, which were incorporated in the copies circulated to the Ministries. The more important of these are indicated in footnotes 3, 4, 5, 7 and 10 below.

on the basis of unrestricted [*freien*]³ German defence armaments. Britain had declared herself in favour of this in general, but France had brusquely refused. In the same month France had actually increased her air force appropriations by more than a thousand million francs, on top of the recent increase of three thousand five hundred million francs. [We were gradually getting tired of this game.]² We would not allow ourselves to be prevented by any *démarche* or announcement from continuing to build up the defence armaments necessary for our security.

In our conversation with Eden in the spring we had offered to do without bomber aircraft for two years, provided that within this period these were universally abolished. Thereupon not only was nothing done to carry out the general abolition of bomber aircraft, but, on the contrary, the air forces of the other States, and more particularly the numbers of their bomber aircraft, were very greatly increased.

What exactly did Britain want of us? He, the Chancellor, had always declared himself willing to come to an agreement with Britain in the naval sphere, which was of primary interest to her, on a basis of 35 per cent.⁴ In this sphere we were only concerned in not being subordinate to the Russians in the Baltic, and in being a match for⁵ the French, if they should penetrate into the Baltic. Baldwin's remark that the frontiers of British air defence lay on the Rhine⁶ was a surprising one. What would people say in Britain if he, the Führer, declared that the frontiers of German air defence lay on the Thames? When Phipps remarked that there was no comparison between the two rivers, because there was only the Atlantic behind Britain, the Chancellor replied that behind Germany lay Soviet Russia. In Russia the army was rapidly being expanded and the war potential was being increased at a frantic⁷ pace. Besides this, Russia had a kind of military alliance with France.⁸ When Phipps drew attention to the French *démentis* on this subject, the Chancellor observed that, according to our information,⁹ these *démentis* were not in accordance with the facts. There was therefore already at present a coalition somewhat

³ Amended to "purely [*reinen*]".

⁴ Amended to "about 35 per cent".

⁵ Amended to "being able to oppose".

⁶ See document No. 138, footnote 5.

⁷ Amended to "great pace".

⁸ In a debate on the military estimates in the French Chamber of Deputies on Nov. 23, 1934, M. Archimbaud, *rapporteur* for the Army Committee, had said: "In order to guarantee her security, Russia possesses a large, well-equipped and well-trained army which she places at the disposal of France in the event of a conflict with Germany." See *Journal Officiel de la République Française, Débats Parlementaires, Chambre des Députés*, 1934, p. 2572. He had prefaced this by saying that only the Government could tell the Chamber whether an alliance [with Russia] already existed. Both M. Archimbaud and the French Foreign Ministry issued denials that these statements should be interpreted in the sense that there was already a separate military agreement. See *The Times* of Nov. 26.

⁹ No such information has been found.

like the one before the war. Whether such a development was in the interests of Britain, the British must consider for themselves.

If Britain were now publicly to broach the armaments question in the alarmist way in which it was announced to us, this must result in very considerable disquiet throughout the world. The responsibility for this result would then rest with the British Government. Whether, in the interests of all, the present moment was suitable for broaching the problem, seemed more than doubtful to us.¹⁰

The Chancellor then asked the Ambassador whether it was true that Britain also intended to appeal to the other Powers, and whether the British intended to set in train a common move against Germany. If this were the case, we would regard the situation as extremely serious. Phipps declared that he knew of no such British intentions. He [Phipps] then asked whether it was true that since Laval had come into office there had been a *détente* in Franco-German relations? The Chancellor replied that there were some signs pointing in this direction, but that we must first see deeds.

The Chancellor then emphasized again that we were at all times prepared to negotiate on the armaments question. Equality of rights, however, must be regarded as an essential which no one could now deny us.

In the course of the conversation, Phipps also drew attention to the alleged militaristic spirit in which German youth was brought up; the Chancellor, referring to the way in which the youth of other countries was brought up, energetically denied this.¹¹

¹⁰ Amended to "very doubtful".

¹¹ The contents of this document and of document No. 356 were communicated to the Missions in Paris, Rome, Moscow, Washington, Warsaw, London (for information), Brussels and Berne, and to the Consulate at Geneva in a circular of Nov. 30, 1934 (7477/H186849-57) which also contained instructions on language to be held regarding the House of Commons debate. The Foreign Ministry's impression of the result of Phipps' interviews with Neurath and Hitler was given as follows: "The speeches by Baldwin and Simon in yesterday's [*sic*] House of Commons debate give the impression that the comments by the Chancellor and by the [Foreign] Minister were not without effect on the British Government's statement. In any case this [statement] was far from being the condemnation of German armaments forecast by Phipps, and was more in the nature of an explanation and a reassurance to the public on the extent of German rearmament, and of an invitation to seek a solution by agreement."

No. 359

6025/H047127-30

Memorandum by the Director of Department IV

BERLIN, November 27, 1934.

This afternoon I paid Ambassador Suritz a visit lasting about an hour and a quarter. We briefly discussed general questions such as

that of the Saar etc. first, and then went on to the subject of German-Russian relations.

M. Suritz asked to be allowed to state his views quite frankly and informally; he spoke most emphatically of how much the Soviet Union distrusted Germany and how much a German drive eastward was feared. This distrust could only be dispelled and the atmosphere calmed on a realistic basis; for this reason the Soviet Union had in the past first proposed the Baltic Pact¹ and then the Eastern Pact,² towards both of which the German Government had adopted a negative attitude. He knew of no other means of bringing about the required *détente* and still hoped that the Eastern Pact would be accepted.

I explained to him at length, and equally informally and frankly, the views of the German Government, emphasizing that, in view of the Führer and Chancellor's unequivocal peace policy, there was no foundation whatever for Russia's fears of belligerent aspirations on the part of the German Government. I drew his attention to the Führer's various statements, beginning with his Reichstag speech in March 1933,³ and stressed that those in charge of Soviet policy, if they wished to be free of all fear, had only to believe in these official pronouncements. Neither the press campaign in the Soviet Union nor official statements about Germany's alleged aggressive intentions were likely to promote realization of the desire, constantly stressed by the Soviet Union, for an improvement in the situation. In this connexion I drew his attention to various points in M. Litvinov's speech on New Year's Day⁴ and also mentioned that M. Litvinov had stated in his conversation with Herr von Neurath that he had proposed the Baltic Pact merely in order to establish, through Germany's rejection of it, that she had aggressive designs on the Baltic States.⁵ Herr von Neurath had told M. Litvinov that if he did not wish to believe either the Führer and Chancellor's statements or his own, then there was no point whatever in having political conversations. Turning to the Eastern Pact, I once again discussed in detail the arguments contained in the Memorandum⁶ and, with particular reference to the term "regional agreement" used repeatedly by M. Suritz, I asked what business France had with a North-Eastern regional agreement and why Britain and Italy were not also invited to take part. I also pointed out that the anti-German attitude in Russian policy during the past year had

¹ See document No. 1, footnote 2.

² For the antecedents of the Eastern Pact proposals see vol. II of this Series, *passim*.

³ On Mar. 23. Extracts from this speech are printed in Baynes: *Hitler's Speeches*, vol. II, pp. 1015-1021.

⁴ The reference is presumably to Litvinov's speech of Dec. 29, 1933, to the Central Executive Committee. Extracts from this speech are printed in *Soviet Documents on Foreign Policy*, selected and edited by Jane Degras (London, 1953), vol. III, pp. 48-61.

⁵ For Neurath's memorandum on this conversation of June 13, 1934, see vol. II of this Series.

⁶ Document No. 200.

become evident in all international questions. I mentioned in this connexion that, even on the Memel question which was of no interest whatever to the Soviet Union, they had made representations to the Signatory Powers in order to prevent or delay a protest being lodged against violation of the Memel Convention.⁷ M. Suritz maintained that the Soviet Union was only interested in Lithuania's integrity and not in the least in the Memel question. I replied that Lithuania's integrity had never been threatened and that therefore the Soviet Union's anti-German activities with regard to this question was particularly surprising. M. Suritz repeatedly spoke of the need for concluding the Eastern Pact, emphasizing that the Soviet Union did not wish to enter into a military alliance with France but that declarations made by statesmen and bilateral treaties were not a sufficient guarantee of peace; if the Eastern Pact were to be concluded our objection that we might be involved in endless complications would be removed, precisely because this Eastern Pact precluded all possibility of a conflagration. To this I replied that that was a hypothesis which could not form a basis for political treaties.

I also touched upon the economic problems and pointed out that the negotiations concerning the two hundred million [Mark] project⁸ were not making any progress and that there had been no one in charge of the Trade Delegation for a number of months now; this inactivity in the economic field was probably attributable to political reasons. M. Suritz denied this; he said that Herr Nadolny⁹ and a number of leading industrialists had already said the same. It was not true, however, and he would give the economic matters his special attention. I suggested that he leave politics alone and try to bring about a *rapprochement* in the economic field.

Finally, M. Suritz mentioned the recent interview which the Führer and Chancellor had with the French ex-servicemen¹⁰ and which contained a passage to the effect that no more action could be taken in

⁷ See Editors' note, p. 137.

⁸ See document No. 181. In a conversation, recorded by Bräutigam in a memorandum of Nov. 30 (9387/E664857-58), Mossdorf pointed out that nothing had been heard from the Russians for three months and suggested that Meyer should draw the attention of the Soviet Ambassador to this fact.

⁹ The German Ambassador in the Soviet Union November 1933-June 1934.

¹⁰ The reference appears to be to an interview Hitler had given to Jean Goy, Deputy for the Seine *Département*, and Robert Monnier, a Paris municipal counsellor, of which an account by the former was published in *Le Matin* of Nov. 18, 1934. Amongst the statements attributed to Hitler there occurs the following: "The Germany of today no longer thinks as did the Germany of times past. We do not think in terms of square kilometres to conquer. We think in terms of assuring our people's livelihood. In the West our density of population is 237 inhabitants per square kilometre. How then can it be supposed that we are desirous of recovering territories with a density of population equal to our own in order to aggravate our own situation? In the East certain problems on our eastern frontiers are of a different character. But we have signed a pact with Poland whereby the Reich has clearly shown its determination to maintain good relations with this great neighbouring country."

the densely populated West but that it was a different matter in the East.

M. Suritz said that he had, for the moment, not called on either Herr von Neurath, Herr von Bülow or me, as he had as yet no concrete proposals to make. He therefore intended first to familiarize himself with his work and to wait until he was able to hold positive political conversations.

The conversation was very friendly in tone, and M. Suritz suggested that this exchange of views be continued from time to time.

MEYER

No. 360

7790/E561550-51

*Memorandum by an Officer of the Naval Command*¹

SECRET

BERLIN, November 28, 1934.

B. No. M I 1983/34 g.

SK 138/34 geh.

The enclosed memorandum on a conversation between the Chief of the Naval Command² and the British Naval Attaché³ on November 27, 1934, is forwarded for your information.

By order:
BÜRKNER

¹ Copies were distributed to departments A III, SK and M IV of the Naval Command.

² Admiral Erich Raeder.

³ Capt. G. C. Muirhead-Gould, R.N.

[Enclosure]

As I have heard that you are going to England in a few days, I should like to take the opportunity of informing you briefly again of the German Navy's views on the naval armaments questions at the present time.

We have followed with interest the preliminary discussions in London on the Naval Conference. One obtains an increasingly strong impression that they have little prospect of success.

No matter how the Conference ends, the result will be of considerable importance even for the States not taking part.

For the German Navy the matter stands as follows:

There can be no doubt that our equality of rights must now be recognized in fact, i.e., the special restrictions for Germany on the size of ships, calibres, submarine construction, the use of aircraft etc., must be removed. At the same time, Germany is prepared to accept any restriction applying to all naval Powers. If, however, the Naval Conference should prove fruitless, it would seem worth while to try to

come to an agreement with individual States; in this connexion it is conceivable that negotiations of this kind with Britain would occasion the fewest difficulties, as the German Navy has no thought of competition at sea with your Navy.⁴

⁴ In a memorandum, II Abr. 2683 of Nov. 29 (7456/H176133), Frohwein recorded that Bürkner had informed him of the substance of the conversation between Raeder and the British Naval Attaché. See also document No. 358.

No. 361

8115/E580966-69

Memorandum by an Official of Department II

BERLIN, November 29, 1934.
zu II Vat. 1313.¹

After consulting Ministerialdirektor Buttman, I called on the Nuncio yesterday evening and informed him that we would certainly very much welcome a discussion between him and Herr Buttman on the present state of the negotiations. Herr Buttman, whom I had already informed of this, was indeed very booked up this week but hoped to be able to let me know within the next few days when the first conversation could take place. To this the Nuncio replied that he had not in any way wished to prevent Herr Buttman's visit to Rome, nor had he any authority to negotiate; he had merely been instructed to explain to Herr Buttman that his visit to Rome would not lead to any satisfactory result if he could offer the Vatican nothing but what he had submitted to the Bishops during the last discussion² in answer to their counter proposals as approved by the Holy See.³ I replied that we had understood the instructions which he had received from the Vatican quite correctly and that an exchange of views between him and Herr Buttman would definitely seem useful. The Nuncio then remarked that, according to statements made by the Foreign Minister,⁴ Ambassador von Bergen had also sent us a telegram to this effect, to which I replied that he must surely have misunderstood the Foreign Minister, for it was not the Ambassador who had suggested the conversations here but we who had informed the Ambassador of the instructions which he—the Nuncio—had received from the Vatican.

I took this opportunity of telling the Nuncio again, also especially on behalf of the Foreign Minister, that there could not be any question at present of answering the Cardinal Secretary of State's Note of

¹ Not printed (8115/E580964-65); this was a memorandum by Bülow on a conversation with the Nuncio on Nov. 27 concerning the further conduct of the negotiations.

² On Nov. 7; see document No. 338, footnote 2.

³ Not printed (8115/E580820-30); see also documents Nos. 212 and 338.

⁴ See document No. 353.

September 2 last,⁵ since the negotiations were after all still in progress and it was much more important to achieve a satisfactory settlement than to give a formal and written reply to the Note, to which we had long ago given the Cardinal Secretary of State a preliminary answer by word of mouth.⁶ In reply to his question whether we had any intention whatever of answering it, I told him that this must after all depend entirely on the progress of the negotiations; if these bore fruit, a reply might under certain circumstances even become unnecessary in view of the agreements concluded. *

The Nuncio then stressed that, in the first place, he considered a clear attitude on the part of the Reich Chancellor to the so-called neo-paganism to be necessary for achieving true peace in the sphere of Church policy. In his view an early public statement when opportunity offered would, without doubt, clear the tense atmosphere quite considerably and would not only make agreement, desired by both sides, on the interpretation of the Reich Concordat much easier, but would also take the wind out of the sails of those Catholic circles abroad, especially, for instance, in Austria (he mentioned Cardinal Innitzer in this connexion), who were not well disposed towards National Socialism. I pointed out that the Reich Chancellor had indeed promised the Bishops a statement of this kind and that it might be expected when the negotiations had been satisfactorily concluded. The Nuncio asked me to take his suggestion merely as friendly personal advice. For this reason he did not intend to bring it up for discussion in his conversations with Herr Buttman.

May I most respectfully suggest that it be considered whether, in view of outstanding foreign political problems (in particular the Saar plebiscite and Austria), it would not perhaps be advisable after all to make an authoritative declaration very soon at a convenient moment, that is to say independently of the situation as regards the negotiations, to the effect that the Reich Chancellor has forbidden the State and Party authorities to foster "neo-pagan" aspirations (for instance, the *Deutsche Glaubensbewegung*)⁷ and that the Government will take the strongest possible action against public derogation of Christianity and of the institutions of the two Christian denominations. As we know, a draft of such a declaration is already available at the Ministry of the Interior.⁸ If there are no objections in principle, I would request authority⁹ to discuss this question with Herr Buttman.

⁵ See document No. 195, enclosure.

⁶ See document No. 215.

⁷ *lit.* "German Faith Movement", founded in July 1933 by Professor Hauer in conjunction with Count Reventlow; its main tenets were expounded in a 25-point catechism by Dr. Bergmann, a professor of philosophy at Leipzig, in a work entitled *The German National Church*.

⁸ See document No. 147.

⁹ Handwritten marginal note: "According to information received by telephone

Respectfully submitted herewith to the Reich Minister via the State Secretary and Ministerialdirektor Köpke.

MENSHAUSEN

P.S.

Ministerialdirektor Buttman has just informed me¹⁰ that State Secretary Pfundtner¹¹ has given him authority for a discussion with the Nuncio and that the first conversation could take place at 12 o'clock on Tuesday, December 4, at the Nuncio's office. I have informed the latter and he has asked me to tell Herr Buttman that he very much welcomes the visit.

from Counsellor von Kotze, the Reich Minister agrees that I should inform Herr Buttman of the Nuncio's suggestion when opportunity offers. M[en]sh[ausen], Dec. 1."

¹⁰ In communication VI B 8996/3172 of Nov. 30 (8115/E580971).

¹¹ Of the Reich Ministry of the Interior.

No. 362

6115/E454940-42

Memorandum by an Official of Department II

TOP SECRET

BERLIN, November 29, 1934.

e.o. II Oe. 3288.

The only leading member of the former Landesleitung for Austria in Munich who is still exercising any function connected with its previous activities is Obergruppenführer Reschny, who is at present still in charge of the office for the disbanding of Obergruppe VIII [*sic*? XI]¹ of the SA (Austrian Legion). According to reliable reports reaching the Relief Agency for Dependents [*Hinterbliebene*] and Refugees, Herr Reschny has called a meeting of the leaders of Obergruppe VIII in Munich to take place in the course of this month, which the SA leaders from Austria have also been ordered to attend. The calling of this meeting by Reschny runs counter to two specific orders by the Führer and Chancellor, namely,

1) the order regarding non-intervention in Austria's internal affairs,²

2) the order forbidding members of the former Landesleitung to engage in political activities.³

It may definitely be assumed that the Austrian Federal Government will learn about the meeting through their highly efficient Intelligence Service.⁴ This will involve the Reich Government in further diffi-

¹ See document No. 183.

² See also document No. 173.

³ See document No. 149.

⁴ Marginal note against this sentence: "Compare the statement by Minister Masirevich (last paragraph), which evidently bears on this. R[enthe]-F[ink], Nov. 29." This

culties of a most serious nature with regard to the matter of the Austrian Legion. It emerges from confidential information received from the Relief Agency that Herr Reschny himself is solely responsible for the fact that the disbanding of the Austrian Legion and the transfer of its members to other formations or to civilian jobs has still not been tackled with the vigour required by the Führer and Chancellor, and that it has constantly been delayed on all sorts of pretexts. It follows that the difficulties due to the existence of the Austrian Legion which the Reich is still encountering in international politics are caused mainly by the fact that Obergruppenführer Reschny is still in charge of the disbanding of Obergruppe VIII.

It would seem desirable to suggest that the Reich Foreign Minister should, if opportunity offers, draw the attention of the Führer and Chancellor to the repercussions on foreign policy of this state of affairs, which is becoming more and more intolerable. The best solution would be to give Herr Reschny a suitable high-ranking post in another section of the SA and to charge Gruppenführer Rodenbücher, the Director of the Relief Agency, with the disbanding of the Austrian Legion in order that coordination of all measures connected with the Austrian problem may be assured.

Respectfully submitted herewith to Ministerialdirektor Köpke.⁵

ALTENBURG

refers to a memorandum by Renthe-Fink of Nov. 27 (9564/E673423-24) on a conversation he had had the previous day with the Hungarian Minister in Berlin, Masirevich, who had stated that Rome and Vienna feared a resumption of National Socialist agitation in Austria after the settlement of the Saar question and that reports had been received in both these capitals that lower-level National Socialist organizations were not obeying the orders of the higher Party authorities.

⁵ Marginal note: "I gave a copy of this memorandum to Herr von Papen, who called on me today. H[err] v[on] P[apen] evinced great anxiety over the development of the Legion problem. The Legion was an ever-increasing hindrance to his diplomatic work at Vienna. Herr von Papen intends to discuss the subject again with the Reich Chancellor on Tuesday [Dec. 4]. Köpke, Nov. 29." No record of this discussion has been found. A copy of the document here printed, found in the files of the Vienna Legation (8676/E606968-69), is marked "Chancellor" in Papen's handwriting.

No. 363

7947/E573661-62

Memorandum by the State Secretary

BERLIN, November 30, 1934.

e.o. II SG.8229.

The negotiations conducted by Ministerialdirigent Berger in Rome on the price of the mines as recorded in today's memorandum—II SG.8198¹

¹ Document No. 364.

—by Senior Counsellor Ulrich are incomprehensible to me. It is surely out of the question for us to negotiate in Rome on the price of the mines without ever inspecting them or assessing their value on the strength of the books kept by the Mines Authority. After all, you do not buy a pig in a poke. I had always understood these negotiations as being an effort to reconcile the figures in order to obtain a basis for discussion of the methods of payment, but that these figures would not be binding on us and would at most not be binding on the French in so far as, in the case of a higher valuation of the mines, we should not be compelled to transfer the excess balance within the framework of the relevant agreements. The suggestion to include the Warndt leases in the discussions and to negotiate an extension of the leases up to ten years and more is certainly inconsistent with this concept. We had recently decided that the proceeds from a possible extension of the leases could be used for the purpose of transfers. The transfers would, nevertheless, be effected in the course of one year, at the very most within several years not exceeding, shall we say, five years. If a longer lease is discussed, the problem takes on quite different and fresh aspects.

Moreover, I understand today's memorandum to mean that the French wish, at all events, to offset or guarantee 300 million francs with the leases of the Warndt mines; to me this seems incompatible with our original directive to leave the value of the mines undecided and subject, should this prove necessary, to arbitration, and to talk only of a hypothetical value which would provide the basis for the discussions on the methods of payment.

I propose that the question be discussed here once again this afternoon (about 6:30) and suggest that any necessary clarification be completed by then.

BÜLOW

No. 364

7947/E573658-60

Memorandum by the Deputy Director of the Economic Department

BERLIN, November 30, 1934.

II SG.8198.

Herr Berger¹ informed me of the following by telephone at 12 o'clock noon:

Aloisi had informed him yesterday afternoon that in his conversations with the French he had arrived at a figure of 950 million. As the French did not wish to agree to this, Aloisi had asked him—Berger—

¹ Ministerialrat Berger of the Reich Finance Ministry, appointed in place of Vocke who was ill. See document No. 315.

whether it would not be possible to make the acceptance of this figure palatable to the French by a conciliatory attitude over the Warndt question.² He—Berger—had replied that we could concede a certain extension of the leases if, by doing so, agreement on a *forfait* of 900 million would be reached. Aloisi had spoken of a 10-year extension of the Warndt leases. Berger had rejected this, whereupon Aloisi had asked whether it might not, after all, be better to agree on one thousand million, which he had again rejected.

There had then been a long conversation last night with the French who stubbornly adhered to their figure of 1,200 million which they now quoted for the second time. The French had said quite clearly during the negotiations that, in practice, they would like to achieve this figure of 1,200 by a long-term extension of the leases for the Warndt mines, that is to say, 900 million from the circulation of francs in the Saar and 300 million from the Warndt mines. They had, at the same time, attached very great importance to the fact that the easiest method of transfer was to forfeit the proceeds from the leases on the Warndt mines. He—Berger—had gained the impression from the discussion that the Warndt problem was now their chief concern.

Herr Berger then summarized his impressions as follows:

Aloisi was clearly already convinced that he would not be able to carry out his (900 million) programme in full, as it was not to be expected that the French would withdraw their 1,200 claim altogether. He would advise against any compromise in the form of an increase to one thousand million, since this would leave open the Warndt question, which had now gained such importance. He was therefore more inclined to advise us to adhere to the figure of 900 and to make a further concession in the Warndt question by extending the leases for three to five years *tel quel* and forfeiting the proceeds from the leases for this period. As he was negotiating under great pressure of time, he would like to have our instructions soon.

I told Herr Berger after this conversation that I had spoken to Herr Ritter in Paris regarding the question of the three months' commercial credits and that Herr Ritter had said that, judging by the whole position over the negotiations in Paris,³ it was out of the question to raise this issue for discussion in Paris now. He had merely referred to his telegrams to Berger and had declared any binding agreement in Paris at the present moment on the three months' commercial credits to be impossible. I then came to an understanding with Herr Berger

² In 1924 the French Government had granted long term leases to certain private companies operating in Lorraine to work the coal deposits situated across the frontier, in the Warndt district of the Saar Territory. The question of the future of these leases should the Saar Territory revert to Germany was under discussion.

³ i.e., Franco-German negotiations on the implementation of the Clearing Agreement of July 28, 1934; see also document No. 9, footnote 2. An agreement was signed on Nov. 30, 1934; see document No. 278, footnote 4.

to the effect that, in the circumstances, there was nothing else to do but to accept the formula given in paragraph 1 of his telegram No. 284⁴ and at the same time to make it quite clear, on the lines of Ritter's telegram No. 1503⁵ to Rome, that naturally this formula could only hold good as long as a clearing agreement existed between Germany and France; this formula should be supplemented somewhat as follows: "Should the existing clearing agreement terminate, the two Governments shall immediately get in touch with one another regarding a settlement of this question."

ULRICH

⁴ The relevant passage in paragraph 1 of this telegram of Nov. 24 (7947/E573556-57) reads: "... The question of commercial credits would be settled as proposed by the French Government within the framework of the clearing account, that is to say, the credits due to French exporters from the Saar will be recognized—after the transfer of the Saar to Germany—as credits in French francs and will be included in the total of French exporters' credits due from Germany as far as these credits result from normal commercial transactions concluded before the transfer of the Saar but payable after this transfer ..."

⁵ Of Nov. 27; not printed (7947/E573577-78).

No. 365

4620/E200635-38

Ambassador Köster to State Secretary Bülow

PARIS, November 30, 1934.

DEAR BÜLOW: I have today despatched the following telegram to the Reich [Foreign] Minister:

"On the occasion of my returning the visit made to me on his taking office by the War Minister, General Maurin, whose appointment was due to the special recommendation of Marshal Pétain when the new Cabinet was being formed, the General, whom I already had the pleasure of knowing, told me the following amongst other things:

(1) The General authorized me to inform my Government that the familiar statements by Deputy Archimbaud¹ regarding the existence of a Franco-Russian military alliance were in every respect a pure fabrication. He declared, as the member of the Cabinet responsible for France's security and for military affairs, that both he and the other members of the Cabinet who had attended the meeting of the Chamber had been painfully surprised and embarrassed by the Deputy's statements. That France should seek a *rapprochement* in the economic sphere with Russia, who is, in this respect, of great importance to her, was quite understandable. This *rapprochement* did not, however, extend in any respect to the establishment of military relations. Apart from this and quite theoretically speaking, he considered such

¹ See document No. 358, footnote 8.

projects illogical. The present situation could not be compared with the position before the war, since Russia was no longer an immediate neighbour of Germany's and since, in the first place, a pre-condition for a Franco-Russian alliance would have to be Poland's approval of Russian troops marching through, which could hardly be expected.

(2) The War Minister further authorized me to report that the French Government had no intention of bringing up anew questions connected with the disarmament problem before the Saar plebiscite had taken place. Until the date named the Government wish to avoid anything which might contribute to a deterioration or exacerbation of the present atmosphere. It is hoped that when the Saar is returned to Germany a general *détente* in the relations between the two great neighbour States will take place and will facilitate a calm and sympathetic examination of the difficult military problems on both sides. In the opinion of the General, who is as much respected in political as in military circles, the Reich Government could contribute greatly to a relaxation of tension if they prevented the return of the Saar from being used by Germany for demonstrations which the French people might feel were a sort of victory celebration, and which would be grist to the mill of the elements opposed to an improvement in German-French relations. There could be no doubt of the good faith of the present French Government on the Saar question, any more than of their sympathy for the German point of view, or, in particular, of the respect of the French Army for the German Army. All these good tendencies would be destroyed by demonstrations offensive to France's self-respect. The General's view is shared without reservation by all the Cabinet Ministers whom I know and by the other leading politicians who hope to create from the settlement of the Saar a basis on which to achieve a reasonable *modus vivendi* between the two countries. I have, however, noted in such quarters a fairly pronounced disquiet and fear of a possible repetition of demonstrations on the Koblenz and Pirmasens pattern² after the evacuation of the Rhineland.

(3) The War Minister was pleased at the sympathetic reporting in the German press of his latest speech in the Chamber in connexion with the debate on the estimates for the French Army.³ He attached importance to the fact that his remarks in this speech about a certain amount of reorganization in the military sphere, which was intended to reduce [*sic*] the present size of the Army, had not been misunderstood by us. These dispositions were only for a domestic purpose,

² The reference is to incidents, involving the death of a number of Rhineland Separatists, which occurred early in 1924 following the French occupation of the Ruhr in 1923.

³ On Nov. 23. In telegram No. 1493 of Nov. 24 (5669/H014928-32) Forster transmitted a long extract from General Maurin's speech, for the full text of which see *Journal Officiel de la République Française, Débats Parlementaires, Chambre des Députés*, 1934, pp. 2587-2589.

namely to reduce unemployment. The relevant passage in the speech (on which I reported separately in telegram No. 1508 of November 27)⁴ was, therefore, important as an indication. In it he had made it clear that he would make dispositions of manpower not solely with the approval of the Minister of Finance⁵ but also with that of the Minister of Labour,⁶ in order to improve the unemployment situation. I took this opportunity to remind the General of the argument which I have always put forward during my activities here, namely that in Germany too increases in the strength of the Army not only met our desire to take the security measures which we considered necessary in the military sphere, but also served social-political purposes, particularly in view of the large proportion of unemployed youth.

General Maurin asked me to report his train of thought to my Government in a way which would definitely prevent a public discussion, particularly in the press. I entirely share his view that this would only occasion arguments, on both sides of the frontier and particularly on the French side, which could only be harmful where the matter of clearing the atmosphere is concerned. In view of the above statements I would recommend that Germany should refrain from making the question of disarmament the subject for an exchange of views, either officially or semi-officially, with French or other foreign agencies or leading politicians. Köster."

With cordial greetings,

I remain, yours,

R. KÖSTER

⁴ Not printed (M46/M001207).

⁵ M. Germain-Martin.

⁶ Paul Jacquier.

No. 366

6680/H096023

The Minister in China to the Foreign Ministry

Telegram

No. 120 of November 30

PEKING, December 1, 1934—1:50 a.m.

Received December 1—3:30 p.m.

IV Chi. 2372.

With reference to your telegram No. 80 of November 12.¹

(1) Seeckt states that the Marshal is not giving his consent for the Canton munitions transaction. The Marshal was, however, aware of these negotiations. In the summer Klein tried without success to obtain the Marshal's definite consent to the Canton barter negotiations.

¹ See document No. 301, footnote 4.

(2) Seeckt said moreover: "I shall wait and see whether at the next discussions Chiang Kai-shek for his part raises the matter of all the Canton munition deliveries, and I shall then use the arguments in the Berlin telegram. For my part I shall not raise the matter with Chiang Kai-shek."

(3) Seeckt's statements give the impression that he is not keen to hear or speak about the munition deliveries to Canton and would like to disavow his brain-child.

(4) Falkenhausen has nothing to do with any of these things. He views the Canton munitions deliveries with disapproval.

(5) Any further moves with Seeckt should be left to the Reichswehr Ministry.

TRAUTMANN

No. 367

5717/H024481-84

The Ambassador in France to the Foreign Ministry

Telegram

No. 1525 of Nov. 30

PARIS, December 1, 1934.

Received December 1—11:45 p.m.

II Fr. 3932.

Minister President Flandin, in a conversation which he had invited me to come and have with him today, said the following:

He asked to be allowed to speak to me quite frankly, since the present difficult circumstances made such a discussion urgently necessary. This was rendered so much the easier by the old friendly relations which bound us together. As I knew, the Government which he had formed intended not only to examine the outstanding questions between our two countries objectively and dispassionately, but even to try, despite the fact that there was still strong opposition to this in France, to create an atmosphere which, if well and carefully fostered, could lead to a real improvement in our relations. The persons responsible for foreign policy, on the French side himself and Minister Laval, on the German side the Reich Chancellor and the Foreign Minister, did indeed not doubt that this objective could only be achieved if the Saar problem, which was decisive for the future relations of the two countries, was settled first of all. He quite understood that the settlement of this problem must be completely satisfactory for Germany, but on the other hand France must not thereby suffer discomfiture or moral humiliation, nor, above all, must the present Government, who, on the one hand, were animated by the best possible intentions, but, on the other hand, still had great difficulties to overcome at home in order to take the course in foreign policy described

above. His own readiness to follow this course was known to me from many past conversations, but on the other hand I knew him well enough to know that he would at once change course if he saw that these ideas did not meet with sufficient sympathy from us.

As such a lack of sympathy he must, much though he regretted it, regard the numerous German statements made recently through the mouths or pens of French nationals who could not claim to be considered competent by the French public. The Reich Chancellor had chosen for his well-known Nuremberg interview¹ a person who was in no way qualified, and now he had informed France of his views on the German-French problem through the mouths of two ex-servicemen who were not accepted by the majority of French ex-servicemen as suitable to receive such statements.² The result of this was that, among the parties supporting the Government, violent differences of opinion had arisen regarding the expediency of such action, and that the German-French problem was being dragged into party politics, where there was already an abundance of disputes, thus seriously disturbing the negotiations in the Chamber, which were of great importance, particularly for the future of the Government. The only thing which, in his opinion, should be done at the present moment in order to avoid harming German-French relations, was to refrain absolutely from statements, interviews, meetings, and unofficial exchanges of views on *all* problems concerning France and Germany *jointly* until the Saar question had been completely settled.³ Once this had been done the moment would have arrived to adjust our relations and to make a programme for the future which would secure a slow, but, therefore, all the surer improvement in our relations. The Minister, whom I know to be a calm person who weighs his words carefully, appeared to me to be in a very bad humour. This bad humour, as I have been informed by a third party, was due to the fact that in the course of a meeting of the Foreign Affairs Committee of the Chamber this morning, the Foreign Minister was asked to see that French nationals ceased to take part in semi-official or unofficial German declarations concerning German-French relations, since, at the present time, they only gave rise to arguments and disquiet in French internal politics. If it was not possible to prevent such pronouncements by German official and unofficial circles, then their propagation through the French press and support by French nationals should at least be prevented as far as possible. The Chairman of the

¹ This would appear to be the interview which Lucien Lemas had with Hitler at the German Foreign Ministry on Sept. 12, published in *L'Intransigeant* of Sept. 21, 1934, in which Hitler gave his views on the future of Franco-German relations and the desirability of coming to an agreement on the Saar.

² See documents No. 359, footnote 10, and Nos. 311 and 321.

³ Another copy of this telegram (2406/510898-901) has a marginal note in Neurath's handwriting at this point: "I share this view".

Senate Foreign Affairs Committee, Senator and Ambassador Bérenger, has expressed himself in the same way in an article in the *Agence Economique et Financière*.⁴ (cf. telegram —. Note by the cipher clerk: No. follows.)⁵

In view of the Minister President's statements, I must urgently suggest that it should again be for consideration whether it would not be advisable to refrain absolutely from now on as long as the Saar question is not settled (and I have, as is well known, already in several reports described this as urgently necessary) from all declarations, however well meant, about German-French relations, issued in connexion with meetings and exchanges of views outside the usual official channels. I should be particularly grateful if I could inform M. Flandin that the Reich Chancellor has given instructions on this matter in the sense desired by M. Flandin.⁶

KÖSTER

⁴ Of Nov. 27 (M45/M001205).

⁵ Neither the Paris draft nor a follow up telegram has been found.

⁶ The copy of this telegram cited in footnote 3 above was sent by Kotze to Lammers with a covering letter of Dec. 3 (2406/510897) requesting that the telegram and the Foreign Minister's comments be brought to the attention of the Chancellor. It is marked: "The Führer and Chancellor is informed. Berlin, December 4, 1934. The State Secretary in the Reich Chancellery. [signed] Dr. Lammers."

No. 368

3058/609832-33

Foreign Minister Neurath to Reichsführer Himmler

BERLIN, December 1, 1934.

Sent December 3.

DEAR HERR HIMMLER: With reference to our recent conversation¹ on the prevention of incidents in the Saar, I should like to inform you of the following:

During his visit to the Foreign Ministry today² the French Ambassador said he had received reports from various quarters, but perhaps always from one and the same source, that courses on the

¹ See document No. 294.

² Bülow made two records of the French Ambassador's visit; one (2406/510880-82) dealt with their conversation on the disarmament question, the Eastern Pact project and the Saar question, while in the other (3058/609834) (most of the first paragraph of which is reproduced as paragraph 2 of the document here printed), Bülow also noted that he had informed François-Poncet that police controls at the frontier were being intensified.

In a letter to Himmler of Dec. 8 (7894/E573105-07), copies of which were also sent to Frick and Bürckel, Neurath urged the early establishment of an effective but inconspicuous frontier control service. Heydrich replied on Dec. 24 (7894/E573108) that the desired measures had been taken.

pattern of Janka Pusta³ were being held in the military training areas of Döberitz and Münster where groups of about forty men, who were to carry out acts of violence in the Saar, were being trained. The intention was to send them singly back into the Saar with passports taken from the communists who were being held in concentration camps. In charge of the whole enterprise was a certain Hauenstein who had already played a special part in Upper Silesia. He could not believe these reports to be correct, since the military authorities would not permit misuse of the training areas and since, indeed, the Reich Government were not in the least interested in causing incidents in the Saar. In spite of this he considered it his duty to bring the foregoing personally and confidentially to my notice.

Although I, too, do not take this report to be correct, I should nevertheless like to bring it to your notice in view of our imperative interest in preventing any kind of incident, and to leave any necessary further measures to you.

Yours etc.,

FREIHERR VON NEURATH

³ An estate in south-west Hungary where Croat political refugees were housed; the Yugoslav Government claimed that it was a training school for terrorists. See League of Nations: *Official Journal*, December 1934, pp. 1773-1776. See also Editors' Note, p. 468.

No. 369

9296/H255863-64

Memorandum by the State Secretary

BERLIN, December 1, 1934.

This morning I had a conversation with Lieutenant General Beck.¹ I set forth the contents and significance of the parliamentary debates in London² and Paris³ and pointed out, after briefly reviewing Ribbentrop's activities,⁴ that we could not accept this as the time for discussing the disarmament question. A proper discussion would have to take place, and that not in public, at the earliest after the settlement of the Saar question. To put it off any longer after that would, however, be difficult and not without risk. We could not allow ourselves to be induced by what was being said in Britain to make public the state of our armaments and our intentions as regards armaments. On pre-

¹ Chief of the Truppenamt in the Reichswehr Ministry.

² See document No. 356, footnote 2.

³ Debates took place in the Chamber of Deputies on the military estimates for 1935 on Nov. 22, 23, 26 and 27, 1934, when increased expenditure was sanctioned; see *Journal Officiel de la République Française, Débats Parlementaires, Chambre des Députés*, 1934, pp. 2546-2559, 2572-2590, 2674-2680, 2686-2701.

⁴ See document No. 333.

cisely the same lines as von Hoesch's telegram⁵—which was not then known to me—I explained to him how valuable it would be to allow later discussions to arise from our earlier demands. I begged that our rearmament should not be carried too far, since the economic recovery and the financial strength of Germany could not possibly keep pace with it, and since, in the end, we would doubtless be well armed but would otherwise be incapable of defensive or offensive action; in addition there was also the fact that in every war one needs allies, or at least tacit allies, and that if we were to rearm excessively we would be bound to raise up a ring of opponents around us. Bringing the security question into the whole disarmament problem would be unavoidable if it were desired to reach a solution. As things stood, there were three points which required to be clearly grasped: whether a convention was desired (independently of this one must always declare that one was prepared to conclude a convention); secondly, what armaments claims one was going to make; and finally, how one wished to arrange the course of the negotiations: whether one would, in the weeks preceding the settlement of the Saar question, initiate discreet negotiations, or begin public discussions with a possible protraction of the negotiations for some months before reaching the actual substance.

Lieutenant General Beck appeared to agree with my line of reasoning, some of which, in any case, corresponded with his own ideas. With regard to the armaments demands he said that by the spring we would already have more than 300,000 men; this was, however, a question of arithmetic. We did not touch on other points concerning the armaments level. The General pointed out, however, how very much it would mean to the Reichswehr and to their task of defending Germany if on this occasion the demilitarized Rhineland zone could be abolished. On this I pointed out that we would not only forfeit the theoretical protection of Locarno, but that we would also drive the Belgians irretrievably into the arms of France, even if we did not, by denouncing the Treaty of Locarno, immediately bring about complications of the worst possible kind. The Treaty of Locarno was based on the demilitarized Rhineland. The General was not deaf to my arguments, but I had the impression that I had not convinced him.

BÜLOW

⁵ This was telegram No. 322 of Nov. 30 (7477/H186877-81) in which Hoesch set forth his observations on the debate in the House of Commons on Nov. 28 (see document No. 356 and footnote 2 thereto) and suggested a programme for justifying Germany's armaments plans *vis-à-vis* other countries.

No. 370

7899/E573324

The Ambassador in France to the Foreign Ministry

Telegram

URGENT

PARIS, December 3, 1934.

No. 1528 of December 3

Received December 3—9:50 p.m.

P 12083.

With reference to your despatches P 11752 of November 26¹ and 28.²

I have agreed the following with Foreign Minister Laval.

In future *all* French (German) broadcasting stations shall, on the precondition of reciprocity, cease:

(1) All polemics against Germany (France) in respect of the Saar question.

(2) Recapitulation of French (German) and foreign press comments containing attacks on the German (French) Saar policy.

Excepted from this shall be technical reports on questions connected with the plebiscite procedure. The agreement shall come into force as soon as I shall have informed the French Foreign Minister of my Government's approval.

I request your instructions.³

KÖSTER

¹ Not printed (7899/E573320-23); in this Aschmann requested confirmation of a report that Laval had ordered the Strasbourg broadcasting station to refrain from propaganda on the Saar problem and an assessment of the chances of establishing a radio truce.

² Not printed (M30/M000953-57).

³ By despatch zu P 12083 of Dec. 4 (7899/E573329-31) Köster was authorized to come to an agreement on the lines proposed. After difficulties of interpretation had been reported by Köster in telegrams Nos. 1561 of Dec. 14 (7899/E573334-35) and 1571 of Dec. 17 (7899/E573345-47) he was instructed, in telegram No. 698 of Dec. 28 (7899/E573348), to abandon further attempts to formulate a broadcasting agreement. This telegram concluded: "In general the line adopted here will be to avoid any unnecessary polemics and particularly any attacks on the French Government or their agencies. This presupposes that the same attitude will be adopted by the French. Should this not be the case, the German wireless reserves the right to take appropriate counter measures. It will be advisable for violations to be discussed in Berlin."

No. 371

2980/584269-71

Memorandum by the Foreign Minister

BERLIN, December 3, 1934.

RM 1360.

I received a visit this morning from the Turkish Foreign Minister, Tewfik Rüstü Bey, who is in Berlin on a visit to his wife who is under-

going medical treatment here. After expressing his thanks for the courtesy extended to his wife here and in particular for the financial restraint shown by the doctors treating her, he spoke about political questions. He first repeated his wish that I should pay my long overdue visit to Ankara.¹ He particularly emphasized that an unofficial person should not be sent. Such a person would always be treated with distrust and scant consideration and would in all countries be received, though reluctantly, by the Government departments and otherwise ignored. On German-Turkish relations M. Rüstü Bey said it had often seemed to him recently that we believed Turkey was pursuing an anti-German policy. This was erroneous. Turkey was only pursuing the policy which in her position she must pursue. She supported the alliance of the Balkan States because she believed that peace in the Balkans would thereby best be guaranteed and with it peace in Europe. She maintained good relations with Russia because this was in her own interests. The Communist danger was not acute in Turkey. M. Rüstü Bey then expatiated on our relations with Russia. He pleaded the cause of a German-Russian *rapprochement* and admitted, in passing, that such *rapprochement* would also be of great advantage to Turkey. I told M. Rüstü Bey that it was wrong to assume that we did not desire good relations with Russia. Our attitude towards the Russian Government was unchanged. Unfortunately there had been an estrangement because we had been compelled to ban the Communist Party in Germany and to render some of its members harmless. Moscow had taken it amiss and to this alone was due the present coolness in German-Russian relations.² I hoped, however, that even Moscow would realize that differing ideologies did not preclude good relations between Governments. M. Rüstü Bey underlined this by referring to the good Russo-Fascist relations.

In conclusion the Minister also touched on the question of our return to Geneva, which he most warmly advocated. He explained that, from a strong opponent, he had grown into a great friend of the Geneva institution because he had seen that, although large constructive plans could not be carried out there, yet it had been able to prevent all kinds of troubles. However, the main advantage of Geneva lay in the opportunities for personal contact with the leading statesmen of other countries. I agreed on this last point and further explained that we were not opposed to international cooperation, but,

¹ The Turkish Foreign Minister had paid an official visit to Berlin Feb. 10-11, 1932. According to an unsigned memorandum of Sept. 22, 1933 (2980/584260-63), a return visit by Neurath to Ankara was envisaged for the spring of 1934 and the fact that this visit was to take place was officially announced in the press on Oct. 30, 1933. As Neurath informed the German Ambassador, Rosenberg, in a letter of Mar. 7, 1934 (9609/E678378-80), this project was abandoned because he did not wish to be in Ankara at the same time, or almost at the same time, as the Foreign Ministers of the States belonging to the Balkan Pact.

² See documents Nos. 233, 265, 270, 271, 359.

after the experiences we had had at Geneva, we could not expect to gain any advantage from returning there. In any case there was no question of discussing the matter as long as we were not granted equality of rights in practice.

Rüştü Bey then said that in Paris³ he had found that Laval had a completely different attitude towards Germany to that of Barthou. He expressed the hope that a German-Turkish *rapprochement*, which the Turkish Government also desired, would thereby be made possible.

V. N[EURATH]

³ Rüştü Bey arrived in Paris on Nov. 25, 1934, to discuss with Laval the Yugoslav Memorandum to the Council of the League of Nations on the assassination of King Alexander. See also Editors' Note, p. 468.

No. 372

7947/E573699-703

The Director of Department II to the Embassies in Great Britain and France, the Legation in Switzerland and the Consulate at Geneva

Telegram

IMMEDIATE

BERLIN, December 4, 1934—6:00 p.m.

Drafting Officer: Counsellor Strohm.

e.o. II SG.8338.

- (a) To London No. 358
- (b) To Paris No. 656
- (c) To Berne No. 115
- (d) To Geneva No. 152

With reference to our telegram¹

to (a) No. 347

to (b) No. 625

to (c) No. 108

to (d) No. 142

For your information.

For the results of the Rome negotiations on the Saar² I refer you to today's DNB communiqué. The most important factor is the German-French agreement on the figure for the price of the mines and on the methods of payment. Fears, which found expression abroad and at times also amongst the people of the Saar, that a settlement of the question of the mines after the plebiscite might lead to serious German-French differences of opinion and at least delay reintegration of the

¹ Document No. 343.

² For the texts of the exchange of letters between the Chairman of the Committee of Three and the Foreign Ministers of France and Germany, dated December 2-3, 1934, and of the Franco-German Agreement of Dec. 3, 1934, which were annexed to the report of the Committee of Three dated Dec. 5, see League of Nations: *Official Journal*, December 1934, pp. 1700-1704. A copy of the French text of the annexes has been filmed as 7947/E573744-66 and a copy of the German text of the agreement as 7947/E573715-20.

Territory with Germany, have in consequence definitely become groundless. The methods of payment, based on the use of the currency circulating in the Saar and on coal deliveries, will not cause any difficulties when they are put into effect. Agreement was also reached on the other financial questions raised for discussion (the Saar's commercial debts to France and its foreign loans) which, without putting any special strain on Germany's foreign exchange situation, takes into account the requirements of the Saar and the legitimate interests of its creditors.

In connexion with the price of the mines the lease concessions granted to French mining companies in the Warndt coalfields have been extended for five years. The further leasing of these coalfields was partly dictated by the fact that so far there are no German pits in this area. Without a further lease the existing plants would have fallen into disrepair.

The political agreements relate to the extension of the June guarantee agreement³ to persons not entitled to vote. Expressly excluded from this are persons who, on the day of the plebiscite, shall not have been domiciled in the Saar for more than three years. By this provision the League of Nations and France disinterest themselves in *émigrés* who bear the main share of the blame for poisoning the atmosphere in the Saar. [It is urgently desirable that the Governing Commission too should take this fact into account and remove once and for all the *émigrés* it allowed into the police.]⁴ Persons who wish to leave the Saar will be given the opportunity of leaving with their property. The declaration we have made on this point provides us at any time with the opportunity of depriving such persons of their Reich nationality.

Efforts for the provision of special protection for minorities in the Saar, which were particularly fostered by international Jewry, have remained unsuccessful. We have merely undertaken in the interim arrangement not to put our Aryan legislation into effect in the Saar for one year after reintegration.

The other parts of the Committee of Three's report, which do not relate to the foregoing questions, were not the subject of discussion and agreement with the German Government. It is noteworthy, however, that the report does not go into the question, raised by the Barthou Memorandum, of the definition of [what is entailed by] the retention of the present Saar régime. The report passes over completely the requests for a second plebiscite, nor does it accede to the wishes for the proclamation of a liberal régime if the present status should be retained.

On the whole, it emerges from the Rome negotiations that the

³ See document No. 255, footnote 2.

⁴ The passage in square brackets was deleted from the draft before the telegram was despatched.

present French Government do not intend to take a settlement of the Saar affair as a pretext for quarrelling with Germany but that, on the contrary, they are prepared, while safeguarding their financial interests, to withdraw from the Saar venture. The result of the Rome agreements should prove of great importance for the atmosphere in the Saar and the success of the plebiscite.⁵

KÖPKE

⁵ The text of the document here printed was repeated on the same day to the Missions in Madrid, Ankara, Warsaw, Brussels, The Hague, Washington, Belgrade, Helsinki, Stockholm and Copenhagen.

No. 373

3598/791936; 791938-40

*Minutes of the Conference of Ministers held in the Reich Chancellery
at 4:30 p.m. on December 4, 1934*

Rk. 11222.

Present:

The Führer and Chancellor	Adolf Hitler
The Führer's Deputy	Reich Minister Hess
The Reich Minister for Foreign Affairs	Freiherr von Neurath
The Reich and Prussian Minister of the Interior	Dr. Frick
The Reichswehr Minister	von Blomberg
The Reich Finance Minister	Count Schwerin von Krosigk
The Acting Reich Minister of Eco- nomics and Prussian Minister of Economics and Labour	Dr. Schacht
The Reich Minister of Labour	Seldte
The Reich and Prussian Minister of Justice	Dr. Gürtner
The Reich Minister of Posts and Communications	Freiherr Eltz von Rübenach
for: The Reich Minister of Food and Agriculture, Darré:	State Secretary Backe
The Reich Minister for Public En- lightenment and Propaganda	Dr. Goebbels
The Reich Air Minister	} Göring
The Prussian Minister President	
The Reich Minister of Science, Education and Public Instruc- tion	Rust
Reich Minister without Portfolio	Kerrl

The Prussian Finance Minister	Dr. Popitz
The President of the Reichsbank	Dr. Schacht (see above)
The State Secretary and Head of the Reich Chancellery	Dr. Lammers
The State Secretary and Head of the Presidential Chancellery	Dr. Meissner
The Press Chief:	State Secretary Funk
In charge of the minutes:	Ministerialräte Dr. Willuhn, • Wienstein, Dr. Killy, Dr. Thomsen

Also present:¹

From the Reich Ministry of the Interior:	State Secretary Pfundtner
From the Reich Ministry of Eco- nomics:	State Secretary Dr. Posse
From the Reich Ministry of Labour:	State Secretary Dr. Krohn
From the Reich Ministry of Posts:	State Secretary Dr. Ohnesorge
From the Reich Ministry of Trans- port:	State Secretary Dr. Koenigs
From the Reich Air Ministry:	State Secretary Milch
Also present:	State Secretary Grauert, Herr Keppler

Political Situation

The *Reich Minister for Foreign Affairs* reported on the Saar agreement which had been concluded in Rome.² He described the political aspect of this agreement as very gratifying. For the first time we had succeeded in reaching an agreement in direct negotiations with the French. Admittedly, we had had to concede that the interim period for the complete reintegration of the Saar with Germany should be extended to one year. This concession had the advantage, however, that those people who were a nuisance to us could leave the Saar within this one year.

The negotiations regarding the economic provisions of the agreement had been made easier by the fact that the French had merely demanded a lump sum for the repurchase of the coal mines but had not discussed the details.

The political effect of the agreement was already being felt. Relief was noticeable particularly in the British press. It had probably been feared in Britain that we would handle the Saar question in a way

¹ According to the agenda (3598/791937) the Conference of Ministers was followed by a Cabinet Session which dealt with miscellaneous legislation and is recorded in separate minutes (3598/791941; 927-35). It is probable that the undermentioned State Secretaries attended only the Cabinet Session.

² See document No. 372.

which would allow the conclusion to be drawn that we were not peaceably inclined.

Immediately after the signing of the agreement Laval, the French Foreign Minister, had suggested to him that all Saar propaganda on the wireless should cease on both sides. The Foreign Minister intended to agree to this suggestion.³

Dr. Schacht, President of the Reichsbank, acting Head of the Reich Ministry of Economics and the Prussian Ministry of Economics and Labour, reported as follows: From the economic point of view our primary object during the negotiations in Rome had been to prevent the transfer situation from deteriorating. In the case of the agreement on the repurchase of the mines, the deciding factor had therefore been the problem of raising the funds. It had been agreed that the transfer of the purchase money was to be effected by conversion of the French francs circulating in the Saar. This circulation would probably amount to less than 1,200 million French francs (200 million Reichsmark). The people of the Saar were already beginning to get rid of their holdings of French francs. The agreement provided for 95 per cent of the French francs receivable at the time of conversion to be used for the repurchase of the mines. Against this, only five per cent were to be set aside for the Saar's foreign debts. This showed little willingness on the part of France to consider British and American creditors, as the sum thus obtained would only suffice to continue service of the loans for a few years. After that, however, the Saar's foreign loans would automatically come under the German transfer system.

Should the sum obtained from the conversion of the francs not be sufficient for the repurchase of the mines, the balance was to be settled by supplies of Saar coal and by an extension of the French Government's right to work the German coal seams in the Warndt area for a further five years. The French Government had undertaken, however, not to mine more than eleven million tons for this purpose within that period. Given these numerous safeguards, no real transfer difficulties could arise.

The *Führer and Chancellor* termed the conclusion of the agreement a clear success, for which credit must go to Germany's resurgence as a Great Power. The French had definitely missed the opportunity for a preventive war. This also explained France's efforts for a *rapprochement*. The settlement of the Saar question, as embodied in the agreement, was to be taken as the first international vindication of Germany's internal reconstruction.

For the minutes:
THOMSEN

³ See document No. 370.

No. 374

6695/H101753-61

The Ambassador in France to the Foreign Ministry

Telegram

No. 1534 of December 4

PARIS, December 5, 1934.

Received December 5—3:30 a.m.

IV Ru. 6085.

With reference to my telegram No. 1530.¹

After the signing of the German-French Commercial Treaty,² I spoke to the Foreign Minister, Laval, about Flandin's ideas on policy towards Germany, reported in my telegram No. 1525 of December 1,³ and expressed my satisfaction over them. Laval seized on this very vigorously and said that he could not agree with Flandin's ideas in the matter of the Eastern question, on which there was no time to be lost. The Governments concerned must finally put revisionist ideas out of their minds. Laval then said he fully agreed with Barthou's ideas about the Eastern Pact, and he particularly emphasized that it was a unique opportunity for Germany to prove her goodwill over the pacification of Europe. His ideal would be the creation of an Eastern Locarno. I urgently warned him against committing himself to the idea that a Locarno treaty could be based on Eastern Europe. There were important geographical, political and, above all, ethnographical reasons against it. Quite apart from this, it was France's turn to show goodwill. I also tried to make it clear to him that, by pushing his peace plans for the East too vigorously during the present meeting of the Council at Geneva, he would be working against rather than for their realization. Apart from this, suddenly to place the Eastern Pact problem on the agenda of the extraordinary meeting of the Council would certainly cause uneasiness and suspicion. The Foreign Minister was taken aback and asked the Secretary General to remain for the rest of our conversation on the Eastern Pact. In the course of this conversation it emerged that the Foreign Minister no longer remembered either the fact that diplomatic relations between Poland and Lithuania did not exist, or the old differences between Poland and Czechoslovakia. (It was clear that the Foreign Minister, as he is known to do, dislikes studying documents, preferring to assess a situation through an exchange of ideas; then, with the aid of his extraordinarily quick comprehension, he seeks means of solving problems as they arise.) I gained the impression from the conversation as a

¹ Not printed (6695/H101742); this telegram of Dec. 3 briefly reported that Köster had had a conversation with Laval on the Eastern Pact.

² See document No. 278, footnote 4.

³ Document No. 367.

whole that the Foreign Minister and Léger are trying to conclude a political agreement with Russia which to outward appearances, however, should seem to be a system of treaties designed to secure the peace of Europe in general. When they both pointed out that France did not on principle conclude bilateral treaties, I reminded them of my previous conversation with Barthou and Léger,⁴ during which they had both stated that if Germany did not sign the Eastern Pact in the proposed form, France would be compelled to conclude a pact with Russia. These statements alone, therefore, showed that it had not always been one of France's principles to eschew bilateral treaties. If she wished to conclude a treaty with Russia, then let her do so. The situation thus created would at least have the advantage of clarifying matters, not only between these two countries but also internationally, and would certainly be better than an Eastern Pact on the French pattern.

At the end of the conversation the Foreign Minister gave the Secretary General instructions to let us have a reply, as soon as possible, to our observations⁵ on our [*sic*] Note⁶ about the Eastern Pact. The conversation then closed.

In the meantime I was able to have another conversation with the Secretary General and Laval elsewhere. I took the opportunity afforded by these conversations to advise them, in a friendly manner, to hold back their reply to Germany until Poland had defined her attitude to the new French Note,⁷ on the grounds that Poland, bordering as she does on Russia, was far more interested in the Eastern Pact than we were. Léger at first supported the Foreign Minister's view that it was necessary to send us a note as quickly as possible, as Germany would thus be made to define her attitude clearly. Finally, however, I reminded him of Poland's key position, and this appeared to influence him to a certain extent.

At yesterday evening's conversation with Laval before his departure for Geneva, I handed him, as a precaution, a short, written summary of our views,⁸ in accordance with Enclosure II to your despatch of June 8, II Abr. 1565 II,⁹ dealing with the basic similarity between the various ideas about the pacification of Europe contained in the proposed pact and the German point of view, namely:

(1) Advocacy of the idea of securing peace through non-aggression pacts.

⁴ See document No. 57.

⁵ Document No. 200.

⁶ In the Paris draft (M37/M001043-47) this sentence has been amended by hand by Köster to read as here printed; it had previously read: "a reply to our observations on the Eastern Pact problem [document No. 200]".

⁷ See document No. 379, enclosure.

⁸ Not printed (8760/E610908).

⁹ The despatch itself is not printed (6695/H099961); Enclosure II thereto is a copy of a Berlin telegram of June 8, 1934, to London, Rome and Brussels, for which see vol. II of this Series.

(2) Renunciation of the use of force, which goes beyond commitments in undertakings concerning non-aggression.

(3) Undertakings to consult.

(4) Achieving these three points, not within a certain selected group of Powers, but within a general system.

(5) Pointing out that, in any case, the inclusion of Britain and Italy in the proposed pact would give it quite a different aspect.

The Foreign Minister read through the summary with great interest. He did not reject these ideas as unpractical, but was very doubtful whether Britain and Italy would be likely to join, and asked me finally whether a pact corresponding to our ideas could be concluded by us for a period of thirty years, that is a generation. I replied that I was without instructions, but that, at first sight, this period appeared too long. In my opinion the value of any pact was lessened by too long a period of validity. It would, to my mind, be much more valuable if the Foreign Minister were to begin by putting forward for discussion a pact system based on the concepts of non-aggression, consultation, and renunciation of the use of force for a period of ten years. The acceptance of such a pact would without doubt have the advantages of achieving a better mutual understanding and creating confidence amongst the Signatory Powers, and it might in this way prepare the ground for a pact system approaching more nearly to the original French conception. The Foreign Minister did not reject either these ideas, or indeed my advice to him, which I repeated when taking leave, not to go too rashly about solving the Eastern Pact problem, but first to wait for the Polish reply. From statements made in the Polish press, and recently put out by Havas, which I had shown to the Foreign Minister, it emerged that the Polish Government did not themselves intend to express their views on the French counter proposals until there had occurred that clarification of German-French relations which was dependent on the result of the Saar plebiscite. The Foreign Minister appeared not yet to be aware of the Havas news which seemed to make an impression upon him.¹⁰

KÖSTER

¹⁰ In a letter of Dec. 10 (6695/H101764-66) Bülow informed Köster that as his full account of his conversation with Laval and Léger might easily create a wrong impression of the German attitude to the pact project, it had only been possible to circulate excerpts from it to the other Missions concerned. This was done under cover of instructions, zu IV Ru. 6085 I, dated Dec. 10 (6695/H101762-63), which stated that German policy was laid down in the memorandum of Sept. 8 [document No. 200] and that Germany had no interest in entering into discussions about the Eastern Pact.

No. 375

7949/E574136

The Consul at Geneva to the Foreign Ministry

Telegram

No. 126 of December 5

GENEVA, December 6, 1934—12:40 a.m.

Received December 6—2:30 a.m.

II SG.8394.

When Biancheri handed me Aloisi's enquiry about the question of police in the Saar, addressed to the Reich Government and based on today's discussion in the Council (see telegrams Nos. 124,¹ 125²), he informed me that even the day before yesterday the British had assured the Italians that their attitude to the police question remained unchanged, in accordance with Simon's statements.³ On the other hand, Laval had already indicated yesterday that he had let the German Government know that he would refrain from sending French troops, provided Germany would accept international contingents for the reinforcement of the Saar police. The sudden initiative by the British in the secret session which had preceded the public session had taken the Italians by surprise and had displeased them. Aloisi had done everything he could to obtain instructions in the secret session to contact the German Government before the public session. Aloisi deplored the British attitude but hoped that the unusual procedure would not prejudice an impartial examination by, and the attitude of, the German Government.

KRAUEL

¹ Not printed (7949/E574137); this telegram of even date contained the text of Aloisi's request for the German views on the proposals made during that day's session of the League Council.

² Not printed (7949/E574138-49); this telegram of even date contained the record of the session of the Council dealing with police questions, at which the immediate formation of an international force was proposed and at which Eden stated that the British Government were prepared to contribute a contingent to such a force.

³ Statements that the use of British troops was not contemplated had been made in the House of Commons by Simon on Nov. 5 and Eden on Nov. 15 (see *Parl. Deb., H. of C.*, vol. 293, cols. 617-618 and 2151).

No. 376

5737/H029139-43

The Ambassador in Italy to the Foreign Ministry

Telegram

No. 311 of December 5

ROME, December 6, 1934—1:20 a.m.

Received December 6—5:45 a.m.

II It. 2609.

I have today carried out the instructions contained in your telegram

No. 360¹ of December 3 with reference to Mussolini. After a very brief discussion of the subject matter, Mussolini promptly dealt with the problem of German-Italian relations in the form of a discourse which had evidently been prepared in advance and which by bringing in Suvich, had been given a special character. With noticeable vehemence and apparently with a certain amount of agitation he spoke much as follows:

According to the very reliable reports he had received, increasingly pronounced anti-Italian feeling was becoming prevalent in Germany. This found expression primarily in the press, in the form of sometimes deliberate, sometimes indirect, expressions of hostility towards Italy in connexion with the constantly recurring discussion of the racial question, and especially of the extradition question at the time of the dispute between Hungary and Yugoslavia.² This was evidently attributable to the attitude of the National Socialist Party organization, which, according to all the reports he was receiving from Italians and others returning from Germany, was clearly directed against Italy, whereas Poland, despite the well known serious differences on vital questions, was being overwhelmed with friendliness and, on the basis of the press agreement which had been concluded,³ the German press was forbidden to make any kind of attack on Poland, even with regard to the maltreatment of German minorities; furthermore, while attempts were constantly being made to bring about a *rapprochement* with France, Italy had for a long time seen no sign of friendliness towards her. He had been told that at present no war would be as popular in Germany as one against Italy. Above all he had the most reliable evidence that even from the military aspect, especially with regard to air armaments, the centre of gravity lay in Bavaria opposite Italy. This was a serious matter for him.

I expressed the greatest surprise and regret at these assertions, and, with regard to the press, denied above all that attacks and statements hostile to Italy were still of frequent occurrence. The original cause for all this lay in the Italian press campaign in the summer. I thought I could now say quite dispassionately that even today unfriendly statements in the Italian press were more frequent than the other way about, in support of which I quoted examples and referred him to data given to Ciano. If he desired a press agreement similar to the German-Polish one, we would certainly not do anything to hinder it. I was also obliged to dispute the general attitude of the Party authorities towards

¹ Not printed (7947/E573698). It instructed Hassell to express the German Government's thanks to the Italian Government for their services, in particular those of Aloisi, in the negotiations on the Saar question. See also document No. 372.

² See document No. 266.

³ See vol. II of this Series, memorandum by Neurath of Feb. 2, 1934, and footnote thereto.

Italy. It was correct to say that as a result of the Italian press campaign in the summer feeling was still running a little high, but the general attitude could not be described in the way he had done. As, when discussing German-Polish relations, Mussolini had remarked on the immovability of geographical positions and had also alluded to the watershed of the Alps, I pointed out, in this connexion, that the National Socialist Party in particular had never put forward any claims for revision regarding the South Tyrol. Mussolini then said that that might have been the case earlier, but, when I objected, he was unable to cite anything against the present-day attitude of the National Socialist Party. I added that there was certainly no other question requiring the use of force which Germany would sooner abandon than this, provided that the German national character and language were maintained in the South Tyrol. For the first time since I started my work here Mussolini agreed on this point and emphasized that he was systematically endeavouring to permit Germans to receive private education from persons of German stock.

I then spoke about allegations of arming against Italy and about the war bogey; I described these assertions as grotesque and stated emphatically that no sensible person in Germany would entertain the nonsensical idea of attacking Italy; I was sorry to detect in his remarks an extreme distrust, which was without foundation but which it was apparently difficult to dispel. As to France, I remarked, in reply to Mussolini's observation that the Reich Chancellor had stated that he had a weakness for France, that it seemed to me that, in that case we were both in the same position. If Germany did have such a weakness, it had to a certain extent been diminished by constant wars, which, indeed, we did not wish to see continued any more than the rest of the world, while Italy too clearly had a love for France which had not always been happy and which was now once again finding expression. With reference to some observations of mine on the lines of the despatch of November 30, II Abr 2682,⁴ Mussolini said that admittedly the British were considering the armaments question very calmly, and chiefly from the point of view of not being disturbed themselves, but that they would doubtless pursue the problem further. To my question as to what form he supposed this would take and whether Britain had put forward any proposals in Rome, he replied that she had not done so and that it could not at present be foreseen what further course the matter would take. At the end of the conversation which, after his initial philippics, Mussolini had conducted in a friendly tone, I again expressed surprise at what I had been told and added that I would report his observations to Berlin.

It was my impression during the conversation that the essential point

⁴ See document No. 358, footnote 11.

of these observations was the armaments question. Other reports confirm that there is a feeling in Italy of being cold-shouldered by Germany (no response to frequent suggestions for a discussion on Austria) and that there is a constantly growing desire to reach an understanding with France, even on a modest basis. In this connexion, Mussolini's observations seem to convey a reference to a possible agreement with France, for which the Italians obviously consider speed essential in view of the German-French talks. Emphasis on Germany's alleged arming against Italy is presumably to form the basis for possible participation by Italy in any Anglo-French action that may be taken against German rearmament.

HASSELL

No. 377

7949/E574161

The Consul at Geneva to the Foreign Ministry

TOP SECRET

No. 127 of December 6

GENEVA, December 6, 1934—6:07 p.m.

Received December 6—7:25 p.m.

II SG.8500.

For the State Secretary personally.

By a coincidence a telephone conversation, which was held in Geneva between Laval and Eden at ten o'clock on the evening of December 5, was overheard by a party friendly to us. In this Eden first of all informed Laval that Germany's reply to the British enquiry in Berlin¹ regarding the reinforcement of the Saar police by international contingents had turned out to be unreserved approval. Both the Foreign Office and Eden himself had considered such ready agreement to be impossible and they were astonished at Germany's acquiescence. Laval replied to this that this information absolutely amazed him and he could hardly believe it: "He had nearly fallen off his chair". After a brief and not quite comprehensible discussion of the reasons which might have induced Germany to be so acquiescent, both speakers drew the conclusion from the German attitude to the Saar question that apparently a most acquiescent mood prevailed in Germany at the moment and therefore this was the right moment for bringing strong pressure to bear on Germany in the matter of rearmament.²

KRAUEL

¹ In a note of Dec. 6 (M26/M000894) Voigt recorded that the Foreign Minister had informed him that a British enquiry as to whether British, Italian and Dutch contingents would be acceptable had been answered in the affirmative, and that Laval, who had raised the possibility of adding a Czech contingent had been told that Germany rejected this.

² The copy in the Foreign Minister's file (3058/609885) bears the following marginal note in Neurath's handwriting at this point: "The gentlemen will find they are mistaken."

No. 378

7949/E574150-51

The Foreign Minister to the Consulate at Geneva

Telegram en clair

IMMEDIATE

BERLIN, December 6, 1934—6:20 p.m.

No. 155

zu II SG.8394.¹95.²96.³

With reference to your telegrams Nos. 124,² 125³ and 126.¹

You should transmit the following telegram to Baron Aloisi, President of the Council's Committee for the Saar Questions:

"I have the honour to acknowledge receipt of your telegram of December 5² regarding the meeting of the League of Nations Council on the same day and, on behalf of the German Government, to inform you as follows:

"The German Government have taken note of the statements which were made in the League of Nations Council regarding the maintenance of public order in the Saar Territory during the plebiscite period. They are indeed of the opinion that the situation in the Saar Territory does not make it appear necessary that foreign forces should be employed for the maintenance of public order. Nevertheless, they agree to the sending of an adequate number of neutral international contingents into the Saar Territory for the purpose stated if the Council were to decide that this should be done.

Freiherr von Neurath,
Reich Minister for Foreign Affairs."

End of telegram to Aloisi.⁴

NEURATH

¹ Document No. 375.

² See document No. 375, footnote 1.

³ See document No. 375, footnote 2.

⁴ Marginal notes: (i) "Telegram approved by the Foreign Minister. Has been telegraphed to Herr Krauel. V[oigt]." (ii) "Put out for publication from Geneva. To be filed. V[oigt], Dec. 11."

[EDITORS' NOTE: On December 8 the Council of the League of Nations invited the British, Italian, Dutch, and Swedish Governments to contribute contingents to an International Force. A resolution of December 11 placed the force at the disposal of the Governing Commission.

The international force, composed of 1,500 British, 1,300 Italian, 250 Dutch and 250 Swedish troops, under a British Commanding Officer, reached the Saar on December 20-23.]

No. 379

2945/575958

Memorandum by the Foreign Minister

BERLIN, December 6, 1934.

RM 1382.

Yesterday the Polish Ambassador gave me the enclosed *exposé*¹ regarding the attitude of the Polish Government to the first Eastern Pact proposal. The Ambassador at the same time made this statement: His Government had now received the French Government's reply² to the Polish statement which had been given to them. The French reply had admittedly taken account of some of the Polish Government's objections. But on the whole it did not contain any substantial alteration to the original Eastern Pact plan. Foreign Minister Beck had asked him to tell me that, subject to a careful study of the French reply, the Polish Government maintained their negative attitude to the Eastern Pact plan. The Polish Government attached importance to keeping in close touch with us on this matter and asked us to inform them as to our impression of the French reply.

Shortly afterwards, the French Ambassador called on me and handed me copies of the French communication² which had been made to the Polish Government a few days ago. The Ambassador said that we might also shortly expect to receive a reply³ to our answer to the first Eastern Pact proposal.⁴ The Ambassador made no other statements.

FRHR. V. NEURATH

¹ See document No. 226, enclosure.

² See the enclosure to the document here printed. Under a covering note dated Dec. 3 the substance of the French Note had been circulated to the German Missions concerned for their strictly confidential information (6695/H101686-93), but with no indication of the source of this information. Previously, on Nov. 27, the Embassies in Warsaw and Paris had been instructed by telegram (6695/H101683) to obtain the text of the French Note. Schliep had replied by letter from Warsaw on Nov. 30 (6695/H101684-85) that the Polish Foreign Ministry were not at present willing to provide Germany with the text of the French Note. On Dec. 1 Köster had replied by telegram No. 1524 from Paris (6695/H101722) saying that the text was not at present obtainable; Laval wished to provide it but first required Poland's approval for this step. On Dec. 3 the two Embassies were instructed not to pursue the matter further (6695/H101723-24).

³ See document No. 440.

⁴ See document No. 200.

[Enclosure]⁵

6695/H101770-77

Following the exchange of views between the French Government and the Polish Government occasioned by the projected Pact of

⁵ The original of this enclosure is in French.

Regional Assistance and conducted partly by oral communications and partly by the *aide-mémoire* of August 23 and that of August 28, His Excellency the Polish Minister for Foreign Affairs, in a Note communicated on September 27 to the French Minister for Foreign Affairs, has been good enough to summarize and define the attitude of the Polish Government in respect of the French attitude.

The French Government have studied this *exposé* with the greatest attention and the most anxious desire to understand the preoccupations of the Polish Government. In this spirit of friendly understanding the French Government consider themselves obliged to formulate the following observations which result from their study:

(1) The Polish Government have begun by recalling the diplomatic acts which they have concluded with Russia, the Baltic States and Germany during recent years; they have expressed their concern to safeguard the improvements thereby introduced into a political situation which they consider to be particularly troubled and full of threats to peace in the regions concerned.

The French Government are entirely in agreement as to the advantages for the preservation of peace represented by acts of non-aggression concluded by Poland with the U.S.S.R., and with the Baltic States, as well as the reciprocal undertaking between Poland and Germany in no circumstances to resort to force in the settlement of disputes which might arise between them. Equally the French proposal can only have the effect of consolidating the results thus obtained, since it provides that in the event of one of these countries being threatened or suffering aggression in consequence of a breach of the engagements in question, that particular country would immediately benefit from the assistance of the other Contracting Powers. Assured of the guarantee of the Franco-Polish accords, the Polish Government, who have always expressed their regret that there has not been introduced in Eastern Europe, in which region they are particularly interested, a system of collective guarantees analogous to those which have been introduced in Western Europe, cannot but recognize nowadays the advantages of a complex of international agreements assuring respect for the agreements entered upon between Poland and her neighbours.

(2) Apart from these general observations, M. Beck has stressed the necessity of including in the proposed system all those States which are particularly interested, and Germany.

The French Government entirely share the views of the Polish Government in this respect. The fact that from the beginning Germany has been included among the Contracting Powers and that not only the Regional Pact itself, but also the supplementary agreements provide for absolute reciprocity, is sufficient indication that the French Government have never conceived of the possibility of Germany's being left out of the proposed system. That this is the case is moreover very

clearly shown by the care taken to inform the German Government without delay of the French proposal. It is precisely because German participation appears to the French Government to be of such importance that they have considered it useful to begin by clarifying all those points which have caused concern to the Polish Government, in order to facilitate the study of the matter in Berlin. Whatever may result from this study in Berlin, the Polish Government, to whom the proposals of a Government, their ally, have been communicated, would in any case be able to rest assured that they would not be responsible for a failure, if, in so far as they are themselves concerned, they could immediately agree to accept in principle.

(3) The Polish Government have expressed their desire to see included in the Pact provisions for the maintenance in its entirety of the German-Polish Agreement of January 26, 1934,⁶ as being the fundamental basis for relations between these two countries.

Since a collective agreement of mutual assistance can scarcely be conceived of without including an agreement of non-aggression amongst the Contracting Powers towards each other, there could be no objection in principle to an article in the proposed pact expressly recalling that the bilateral agreements previously concluded and containing such obligations shall remain fully valid. The German-Polish Agreement of January 26 could therefore be expressly mentioned, provided that there were equal mention of the bilateral agreements of similar character, such as the Polish-Soviet Treaties of Non-Aggression,⁷ which may have been previously concluded by Poland with other Contracting Powers or by other Contracting Powers amongst themselves. In this case it would be equally necessary to make express mention of the German-Polish Treaty of October 16, 1925,⁸ on the basis of which, by a Convention concluded the same day, an agreement of mutual assistance was entered upon between Poland and France.

On the other hand the German-Polish Agreement of January 26, 1934,¹ is designed, as emerges from its text, to define the application, without modification, of the principles contained in the Pact of Paris of October [*sic*] 27, 1928.⁹ Therefore such an agreement could be no obstacle to Poland's fulfilling the obligations of assistance provided for in the proposed Regional Agreement, any more than the Pact of Paris could authorize Poland, France, Germany, Russia, and the other States signatory to this Pact, to decline the obligations of mutual assistance

⁶ For the text see vol. II of this Series.

⁷ Of July 25, 1932; see document No. 226, footnotes 3 and 4.

⁸ The reference is to the German-Polish Arbitration Treaty and the Treaty of Mutual Guarantee between France and Poland initialled at Locarno; for the texts see League of Nations: *Treaty Series*, vol. LIV, pp. 327-339 and 353-357 respectively.

⁹ The General Treaty for Renunciation of War as an instrument of National Policy signed in Paris on Aug. 27, 1928; for the text see League of Nations: *Treaty Series*, vol. xciv, pp. 57-64.

provided for by the various treaties to which these States are already parties.

If, as the French Government are persuaded is the case, the Polish Government agree with them about these general principles, there can be no objection whatever to the Polish request being met in full.

(4) The Polish Government point out that they could in no case assume any obligations or give any guarantees towards States not in diplomatic relations with Poland.

The French Government see nothing against meeting Polish wishes on this point by annexing a protocol, to provide that obligations of non-aggression which are already in existence between the States concerned and the obligations of assistance provided for in the pact would not take effect between these States until such time as normal diplomatic relations had been established between them.

(5) The Polish Government would consider it difficult to assume, in respect of Czechoslovakia, new engagements which might compel them to concern themselves with the complex of Danubian questions, which are extraneous to the north-eastern region of Europe, as also to concern themselves with the individual position of each of the Danubian States.

These preoccupations can be entirely dispelled by the consideration that the provisions of the pact, being as they are strictly limited to apply both *de jure* and *de facto* to the Contracting States alone, could in no sense be relevant to the settlement of questions, such as the Danubian question, which concern relations between the Contracting States and Non-Contracting States. Nevertheless, if, in spite of this, the Polish Government still have doubts as to what mutual obligations would have to be assumed between Poland and Czechoslovakia under the provisions of the pact, the French Government can propose a solution. They are in a position to indicate that Czechoslovakia would accept the inclusion in an annexed protocol of a statement that, since obligations of non-aggression already exist between Poland and Czechoslovakia, the pact would not include any clause on mutual assistance between these two countries. Such a solution would manifestly remove all such apprehensions as the Polish Government have expressed.

Noting those observations which, in the Note of September 27, constituted the last objections made to the French proposals, the French Government have loyally done their best to enter into, and take account of the basic preoccupations of the Polish Government. Indeed the view taken by the French Government of their moral obligations and of their solidarity with an allied country whose responsibilities are so closely associated with their own, is sufficient guarantee of their extreme concern to do justice to every consideration which has arisen in the minds of the Polish Government. After careful

study, the French Government are happy to be able to state their conviction that they have been able to meet every point on which the Polish Government have expressed concern. They therefore congratulate themselves upon an exchange of views on as full and friendly a basis as those previously held between the two allied Governments: In so far as it has dealt exhaustively with the first stage of the Polish study of the French proposals, this consultation has now rendered it possible for the Polish Government to furnish the French Government with that reply in principle which they still await and the lack of which is holding up the progress of an enterprise which has been undertaken for the benefit of the European community.

The French Government are fully conscious of being inspired by Poland's special interests as well as the general interests of peace when they emphasize their hope that conditions for a successful achievement of the pact will speedily be realized. Far from possibly compromising the results already achieved, this act will constitute an indispensable link between the various agreements already concluded and, by means of the guarantees for the application of such previous pacts which it will contain, will provide a further basis for the maintenance of peace.

No. 380

6081/E451171-77

The Minister in Austria to the Foreign Ministry

A 3498

[VIENNA,] December 6, 1934.

Received December 10.

II Oe. 3368.

Subject: The Federal Chancellor's visit¹ to Rome and the Austro-German question.

Further to the detailed report which I made both to the Führer and Chancellor and to the Reich Foreign Minister,² I would give the following résumé of my observations for the files:

As soon as they returned from Rome I had an exhaustive discussion with the Federal Chancellor and the Foreign Minister. I questioned the Federal Chancellor about a passage from the after-dinner speech he made in Rome:³ "With those who are willing to talk with us and respect us we shall of course seek, in all frankness, to find ways which will serve the general interest. If people do not feel like talking, we can do nothing about it." I told the Federal Chancellor that it seemed to me that this passage probably referred to German-Austrian relations

¹ See document No. 345 and footnote 1 thereto.

² Presumably on Dec. 4; see document No. 362, footnote 5.

³ At a banquet given in their honour on Nov. 17; for an account see *The Times* of Nov. 19, 1934.

and I said I would be much interested to learn from him what the Austrian Government in fact expected of the Reich Government, and what they were to talk about, since I had on behalf of my Government repeatedly explained the purport and object of my mission. The Chancellor objected vehemently: "This remark was not levelled at the German Reich Government but at the States of the Little Entente. We expect no declarations from you." I was somewhat surprised by this statement of the Federal Chancellor's since it has been repeatedly suggested to me during the past few months that the German Reich Government should make some kind of official declaration of policy *vis-à-vis* Vienna. But the Chancellor's remark is entirely consonant with the description Count Bethlen⁴ gave me of the conversation between Gömbös and Mussolini:⁵ In his efforts to improve German-Italian relations and also to create a more favourable atmosphere in Vienna, Gömbös had, as you know, asked Mussolini whether he was not in a position to exert pressure on Herr Schuschnigg in the sense of a general amnesty in the near future.⁶ An official statement of some sort, made in confidence by the Wilhelmstrasse, to the effect that they had no interest in the Austrian question, might give Mussolini grounds for exerting such influence. To this Mussolini had replied, in some excitement, that he would not dream of acting as a mediator in this matter, which showed that he was very pleased to see the tension between Germany and Austria continue.⁷

It follows, therefore, that neither Vienna nor Rome would welcome any move on the part of the German Government in this direction. The Vienna Government are, in fact, only kept going by the tension between themselves and the Reich. Their measures are designed to keep this tension latent. This alone leads one to ask whether a different policy should not be adopted over the Austrian question.

Naturally the decisive factor in assessing this question still is the extent to which the Austro-German problem may constitute an obstacle to the development of the Reich's general European policy. It is obvious that the British Government's move in favour of legalizing our rearmament⁸ and the settlement of the Saar question through the Rome conversations⁹ have brought about a considerable *détente*. On the other hand, there remain enough outstanding questions and points of dispute to frustrate the Reich Government's armaments policy in the near future. As far as can be seen from Vienna, the French Govern-

⁴ Papen reported on his conversation with Count Bethlen, a former Hungarian Minister President, in telegram No. 104 of Nov. 27, 1934 (7827/E568459-60).

⁵ See document No. 310 and footnote 1 thereto.

⁶ See also document No. 296.

⁷ Marginal note in Köpke's handwriting against this sentence: "?"

⁸ For the negotiations on this question during the spring of 1934, see vol. II of this Series, *passim*.

⁹ See documents Nos. 372 and 373.

ment will endeavour to make the legalization of German rearmament and the fixing of a ceiling dependent on the fulfilment of stringent conditions, whilst we, for our part, will probably wish to keep these conversations going as long as possible. The Austrian question too is sure to play a part in the discussion regarding this problem, which will presumably have to be embarked upon sooner or later once the Saar Plebiscite has taken place. It is rumoured even now that, in the Franco-Italian conversations, both Governments are endeavouring to find a formula for a fresh declaration regarding Austrian independence.

From all this I concluded that it must once again be for consideration whether it would not be tactically desirable to discuss the question with the Austrian Government direct and if necessary to provide them with a draft declaration.⁷

The present high tension in Central Europe caused by the Yugoslav Note¹⁰ might offer us a particularly good pretext for stating that, in the interests of peace, we consider it important precisely at this juncture to define German-Austrian relations more clearly and to eliminate such misunderstandings as remain. In addition to the international *détente*—the more one rearms the more friendly one's gestures should be—advantages would also accrue at home. We should to some extent take the wind out of the Vienna Government's sails and cause them to adopt a more accommodating attitude towards the Reich, which could hardly be achieved through the purely negative line which we have taken so far.

On the other hand there is justifiable anxiety that a declaration of this kind would not be understood in Austrian national circles, that its political motives would not be appreciated and that, on the contrary, it would be regarded as tantamount to desertion by the Reich.¹¹ I myself am of the opinion that if it should prove possible, in some measure, to continue financial and economic support of the national elements in Austria, we could keep them up to scratch, especially if their thinking could be more strongly influenced from the Reich (by means of Reich German newspapers, literature and visitors).

The Federal Chancellor then mentioned the incidents at Prague University and the demonstrations of protest by the Viennese students:¹² "National Socialism has once again turned Germany into an important element of political power; this one must admit even if one does not care for National Socialism. On the other hand it has split

¹⁰ See Editors' Note, p. 468.

¹¹ Marginal note in Köpke's handwriting against this sentence: "!"

¹² There had been student disorders at the end of November in Prague, Vienna and a number of German universities in connexion with the transfer, ordered by the Czech Ministry of Education under a law of 1920, of the Caroline insignia from the keeping of the German to that of the Czech University in Prague. (The University was founded in 1348 by Charles IV. In 1882 it was divided into two separate institutions: Czech University (Charles University) and German University (Deutsche Universität in Prag.)

the German community outside the Reich frontiers, and it will be Austria's task to repair this damage." From this it is clear that the Austrian Government, as we have for some time been aware, desire to gain a decisive influence over the German minorities. It was for this reason that the demonstration of protest in Vienna was supported by the Fatherland Front [*Vaterländische Front*]. Though it is obvious that the Austrian Government's efforts will achieve no success⁷ because they lack the dynamism of the German ideology, it is none the less necessary to observe these developments closely.

As to the removal of the Austrian refugees from Yugoslavia, the Foreign Minister said he must regard the transfer of these anti-German elements to the Reich as an insult to the Vienna Government. I emphasized both to him and to the Federal Chancellor that we had complied with a request from the Yugoslav Government.¹³ In view of the discussion of the Marseilles assassination,¹⁴ Belgrade desired a settlement of the *émigré* question at home. Apart from this the Reich was, in this instance too, conscious of its pan-German responsibilities. When I asked the Foreign Minister several times whether some of these *émigrés* could not be allowed to return to Austria, the Foreign Minister replied each time in the negative.¹¹

By reason of the consideration which it is showing the Yugoslav Government, the comments in the Austrian press about the transfer [of the *émigrés*] have so far not been unfriendly. It does, however, appear imperative that their arrival in Hamburg¹⁵ should pass off as quietly as possible and above all that these *émigrés* should not be accommodated in the southern German Länder as reinforcements of the so-called Austrian Legion. A speeding up of the removal of the Bavarian camp to the North is also desirable, because, during the forthcoming discussions of the *émigré* problem in Geneva, the matter of the "Austrian Legion" will undoubtedly be raised again.¹⁶

My repeated complaints about the attitude of the Austrian press with regard to the Saar question and the question of German rearmament have at last caused the Office of the Federal Chancellor to issue strict instructions to the press here that the two topics are only to be dealt with in a pan-German sense. The *Reichspost* has made a start with this and in the articles it has published in the last few days it has completely reversed its attitude.

Finally, it is worth mentioning that in Rome, during the visit to the Vatican, the question of the education of Austrian youth was also discussed. The Federal Chancellor appears to have given the most

¹³ See also document No. 337.

¹⁴ See Editors' note, p. 468.

¹⁵ 1,910 Austrian National Socialist fugitives left Sušak for Hamburg in two German steamers on Nov. 28. See *The Times* of Nov. 30, 1934.

¹⁶ Marginal note in Köpke's handwriting "!! Litvinov".

binding promises there with regard to ensuring spiritual care for the "youth of the State [*Staatsjugend*]". Prince Starhemberg has, under great pressure, bowed to this view and has said in a speech which he made a few days ago that the Heimwehr made no totalitarian claims, that it wished to work hand in hand with the Church over the education of youth and that he was in agreement with the Federal Chancellor in every respect. It is clear that the agreement which has just been reached on the question of the education of the Austrian "youth of the State" will be used for propaganda purposes against the Reich, because Germany has so far not come to any agreement with Rome on this question.

PAPEN

No. 381

5737/H029145-51

The Ambassador in Italy to the Foreign Ministry

I 1330

ROME, December 6, 1934.

Received December 10.

II It. 2620.

POLITICAL REPORT

Subject: Statements by Mussolini on German-Italian relations.

With reference to our telegram No. 311 of December 5.¹

I took the occasion of my *démarche* on the Memel question² today to express to Signor Suvich once again my great surprise and regret at the statements made by the Head of the Government yesterday. I said I could neither see any reason for these attacks nor understand their political purpose. With regard to the first point, I had flatly to deny that the German press had of late been hostile towards Italy, and, in connexion herewith, I drew special attention to the unanimous recognition of Italy's work with regard to the Saar question; on the other hand, I had just recently let Count Ciano have a whole batch of very unpleasant press comments. As far as the alleged anti-Italian attitude of the Party was concerned, I could not find any substantiation whatever for this. Finally, the argument with regard to armaments was quite incomprehensible to me; did he really in all seriousness intend to keep on worrying about Germany arming against Italy? I would

¹ Document No. 376.

² In a telegram of Dec. 5 (9957/E696266-67) the Embassies in Italy, Great Britain, and France were instructed to raise with the Governments of those countries a measure recently taken in the Memel Territory, whereby the German language would in future only be used in 6 out of 228 primary schools there. In Rome telegram No. 312 of Dec. 6 (8921/E624642) Hassell reported that he had carried out the instructions and Suvich had stated that he would immediately get in touch with the other Signatories of the Memel Convention in order to take the necessary steps.

draw attention, though only in passing, to Italy's mobilization measures last summer. But even the political purpose of the statements was not clear to me. Was it to frighten us, or what other intention was there? Perhaps he could enlighten me on this. As was to be expected, Suvich tried hard to minimize the importance of the matter. Mussolini, who despised the veiled language of diplomacy, had simply wanted to make it absolutely clear what his impressions of Germany were at present. He, Suvich, could confirm that Mussolini had for some time now been extremely upset about all the reports reaching him from Germany and the many comments in the German press. He showed me, as fresh proof, an article from the *Dresdner Anzeiger* which speaks of the Lira being in danger and Italy's balance of payments being in a bad way, as well as excerpts from an obviously unusually foolish book, published in Leipzig by a certain Adolf Klein, on the inferiority of non-Nordic peoples. He wished to add to this that the National Socialist agitation in the South Tyrol, directed from Munich, was largely responsible for Mussolini's mood. All oral and written reports received from Germany were unanimous as to the anti-Italian attitude of the Party authorities. Lastly, military preparations in Southern Bavaria had, in fact, assumed disquieting proportions and could not be satisfactorily explained by the purely precautionary measures which Italy had taken in case Austria should be invaded. Mussolini's statement concealed no ulterior motive. Above all, there was no question of wishing to intimidate us. He had merely wished to express with the frankness he had always shown me that he was well informed of Germany's feelings towards Italy, and of how Germany was showering kindness and suggestions for cooperation on countries like France and Poland, from which she was divided by profound conflicts of political interests, whereas she had treated Italy, who in difficult situations and problems had defended a point of view favourable to Germany, for months past with icy reserve and had made no response to any suggestions. I replied—as I had already done to Mussolini—that no one had more strongly advocated the elimination, first of all, of the atmosphere of conflict between Germany and Poland than Mussolini himself; moreover, we had always agreed with him that an understanding with France was desirable for *both* countries. Indeed, Italy herself was making vigorous efforts in that direction. I could not see how our friendly agreements with Poland were affecting Italy. Suvich had nothing new to say on this, but once again simply emphasized our utterly passive attitude and unfriendly coolness towards Italy, which still obtained today even after Italy had shown that she wished to change the tone she had adopted in the summer. I expressed doubt as to whether Italy was now really adopting a friendlier tone and emphasized again that her attitude in the summer was the root of all the evil, and in fact had not been forgotten by Germany even today.

In conclusion Suvich said that frank speech such as used by Mussolini was, after all, useful and best suited to clear matters up.

My conversation with Suvich has, on the whole, confirmed the impression I gained in yesterday's talk on which I reported by telegram. Perhaps a certain amount of credence may be given to Suvich's assertion that Mussolini was genuinely upset by reports which he had just received and which had annoyed him. Neither Mussolini nor Suvich approached me on the Yugoslav problem in this connexion, since they had already done so often enough. A conversation I had shortly afterwards with one of the members of the Cabinet confirmed for me, however, that Germany's alleged political *rapprochement* with Yugoslavia was still playing its special part.

I then asked Suvich what he thought of the debate in the British House of Commons³ and what was the meaning of the frequent mention of the Four Power Pact⁴ in the Italian press. Suvich had no doubt that Britain was working for a convention, and, if not immediately, in any case after the Saar plebiscite, would take up this idea and not abandon it again. No Italian initiative was at present being prepared either in this respect or regarding any agreements for ensuring peace; there was, in particular, no truth in the report that Italy intended to put forward a proposal for a ten-year European security convention. Nevertheless the situation might of course change to such an extent that Italy might feel obliged to consider how the necessary pacification of Europe could be procured, either in the spirit of the Four Power Pact or in some other way.

Information obtained from another authoritative department of the Foreign Ministry provides, on the whole, the same points of view for assessing Mussolini's statements. If I recapitulate these observations here at the risk of repeating myself, it is simply because they come from a source which is exceptionally well-disposed towards us, but on the other hand has no interest in glossing things over. According to this source the main reason for the Duce's outburst of temper is to be found in the resentment, which for months has been constantly increasing, at the indifference, frequently felt as contempt, which National Socialist Germany is said to be showing towards Fascist Italy, whilst she has been establishing contact with all sorts of other States and has not only made peace with one of her former arch-enemies, Poland, but has been doing all she could to achieve a *rapprochement* with France. By contrast Italy is being completely left out, there has been no response to any suggestions, and although he did justice in his Milan speech⁵ to Germany's great importance as one of the leading Great

³ See document No. 356, footnote 2.

⁴ For the Four Power Agreement of Understanding and Cooperation initialled at Rome on June 7, 1933, see vol. I of this Series, document No. 292.

⁵ See document No. 235, footnote 7.

Powers in Europe, the German Government remained silent. A friendly gesture towards Italy coming from an authoritative quarter and designed for public consumption, but for which he has so far waited in vain, could soon have dispersed this resentment. Instead, it often appears that Germany considers that "Italy, the politically unreliable and militarily inadequate", can be passed over. It is precisely this contempt which has so much upset the Duce, who is greatly concerned about his own and his country's prestige, and it has created a kind of fixed idea with him. After his experiences of the last few years, he is now no longer counting on Germany and at yesterday's interview he wished to say so quite plainly.

Apart from this emotional motive, the significance of which, with a temperament like the Duce's, should certainly not be underrated, it was our informant's impression that there were other, weightier factors contributing to Mussolini's statements, above all, the problem of German rearmament. Admittedly the Foreign Ministry state that Mussolini's reference to German rearmament has no direct bearing on the exchange of views on German rearmament between those Governments primarily concerned which was occasioned by the statements made in Parliament by Baldwin⁶ and Laval.⁷ On the other hand, there was undoubtedly an indirect connexion. It should be clearly understood in Germany, after the statements by Baldwin, Simon and Laval, that Germany's secret rearmament would have strong repercussions in the near future which even Italy would not be able to avoid. There was agreement in principle amongst the Powers interested that it was essential shortly to reach a convention setting certain definite limits to German rearmament. Mussolini, who had been acting in closest consultation with Britain on this question, still adhered to the principles of the Italian Memorandum,⁸ which granted Germany a limited measure of rearmament for defensive purposes but denied Germany unrestricted rearmament. The question as to whether such a settlement should be effected through the League of Nations or independently of it, was not of decisive importance to Italy (or to Britain either), while France appeared to be adhering to her familiar view that the problem of disarmament could only be solved in closest association with the League of Nations. Thus these statements, which emanate from an authoritative source, tend to confirm my first impression that Mussolini's unfriendly observations on German rearmament were intended to form a counterpart to the British and French declarations on the rearmament question; nor does it seem altogether impossible that he made them in agreement with Britain (and France?).

⁶ See footnote 3 above.

⁷ For Laval's speech on Nov. 30, 1934, see *Journal Officiel de la République Française, Débats Parlementaires, Chambre des Députés*, 1934, pp. 2834-2835.

⁸ See document No. 4, footnote 5.

A further motive for Mussolini's attack is his anxiety lest we should reach an understanding with France over Italy's head. I gather from another reliable source that Germany's attempts at a *rapprochement* which have recently become apparent, particularly Ribbentrop's visits to Paris,⁹ have aroused some distrust here, which is, incidentally, also reflected in the press. The feeling that Italy might one day fall between two stools is said to have made Mussolini particularly nervous and to be materially affecting the tempo of the Italo-French negotiations which it is now desired to conclude as soon as possible. In fact, as I have reported elsewhere,¹⁰ the negotiations have recently made great strides. It would not be particularly surprising, therefore, if Mussolini, on the eve of an Italo-French understanding, were trying to convey to us that in view of Germany's unfavourable attitude he had been obliged to choose France and drop Germany.

Moreover, I should like to say in conclusion that the Duce's agitation is not a passing phenomenon but is symptomatic of a constant nervous condition which has recently obtained increasing hold on the Duce and which results in violent outbursts now and then. It is difficult to say what first occasioned this nervous tension. Important contributory causes are undoubtedly the reverses sustained by Italian foreign policy in the Balkans and in the eastern Mediterranean, which I have repeatedly discussed in my reports, and, above all, the estrangement from Germany arising from the Austrian question, which is driving Italy into the arms of France on the most unfavourable terms.¹¹

HASSELL

⁹ See document No. 31. It was reported in the press that Ribbentrop again saw Laval in Paris on Dec. 2, 1934, but no record of the conversation has been found.

¹⁰ In report I 1331 of Dec. 7, 1934 (7819/E567218-21).

¹¹ An extract (7467/H181469-75) from the document here printed and the full text of document No. 376 were sent to the Reichswehr and Reich Air Ministries under a covering letter of Dec. 18 (7467/H181482-84) in which Neurath drew attention to the serious political repercussions which might result if Mussolini's view of Germany's attitude and her military and air force dispositions were not vigorously refuted. Neurath further gave an account of his conversation with Cerruti [see document No. 383] and requested that the Italian Military and Air Attachés be reassured on similar lines.

No. 382

2406/510895-96

Memorandum by the Foreign Minister

BERLIN, December 7, 1934.

RM 1386.

The French Ambassador called on me this morning. He stated that he had been instructed by Laval to inform us about the arrangement made between Russia and France to keep each other informed in case

of any bilateral discussions.¹ The purpose of this arrangement was to prevent the negotiations on the Eastern Pact, which the two Governments are endeavouring to prosecute, from being in any way prejudiced or rendered more difficult.

From the Ambassador's further remarks it appeared that the present French Government had certain objections to a Russian-French alliance and would have preferred to avoid finding themselves alone with the Russians. The renewal of the Eastern Pact negotiations could be attributed to a somewhat too vigorous Russian *rapprochement*, which the French Government wished to tone down within the framework of a general pact.

M. Poncet then proceeded, as he always does, to expatiate on the advantages of multilateral agreements and especially of the French Eastern Pact proposals. I told him that he knew we did not share this view and that in any case we would wait and see what the new proposals which we were promised were like. We would naturally study them in all seriousness and with good will in order to see whether we could make them serve a useful purpose.

V. N[EURATH]²

¹ For the text of the Protocol signed by Laval and Litvinov at Geneva on Dec. 5, 1934, see British Blue Book, Cmd. 5143 of 1936: *Correspondence showing the course of certain Diplomatic Discussions directed towards securing An European Settlement June 1934 to March 1936*, No. 4. The German Consul at Geneva had reported the signature of this Protocol by telegram No. 128 of Dec. 6 (6695/H101743).

² In memorandum RM 1389 of Dec. 8 (2860/562688), Neurath recorded that the Russian Ambassador had called on him that day in order to inform him of the Franco-Russian Protocol. In two memoranda of Dec. 10, Bülow recorded (1) that the Russian Ambassador had called to leave with him a copy of the Protocol and to inform him that the Czechoslovak Government had subsequently adhered to it (6695/H101809), and (2) that the French Ambassador had also presented a copy of the Protocol (2406/510902).

No. 383

2784/540353

Memorandum by the Foreign Minister

BERLIN, December 7, 1934.

RM 1387.

I arranged for the Italian Ambassador to call on me today and after reading out to him part of Ambassador von Hassell's telegram on his conversation with Mussolini,¹ I expressed my surprise at Mussolini's being so entirely misinformed about conditions in Germany and the feeling prevailing there. I was, in particular, at a loss to understand how the Head of the Government came to accuse Germany of belligerent designs on Italy and even of making preparations to that end. If feeling in Germany about Italy had not quite returned to what it had

¹ Document No. 376.

been up to July of last year, this was due to the outrageous press campaign conducted against us at that time and to the consistently unfriendly tone in which the Italian press dealt with all German affairs.

The Ambassador tried to counter this by saying that the German press too, particularly the Munich edition of the *Völkischer Beobachter*, published articles hostile to Italy every day. I told him that as I had not seen those articles, I could not answer him on this point. But in any case, such articles were an entirely different matter from allegations by the Head of the Italian Government to the German Ambassador about Germany's harbouring expressly hostile designs on Italy. I requested Signor Cerruti to tell Signor Mussolini from me that he was entirely misinformed; I also asked the Ambassador for his part to see to it that the Head of his Government was kept better informed about conditions in Germany.

I added here that we owed Baron Aloisi unstinted praise for his impartial and objective conduct of the difficult Saar negotiations, and said we had conveyed this to Baron Aloisi as well as to the Italian Government.²

V. N[EURATH]³

² See document No. 376, footnote I.

³ The document here printed was forwarded by Neurath to Lammers on Dec. 13 for submission to the Führer, together with a memorandum by Bülow of Dec. 12 (1555/377605-06), recording information from Cerruti that Mussolini's statements were based on private information and were in no way occasioned by Cerruti's reports to Rome. Neurath's covering note (8035/E577877) is marked "The Chancellor is informed. L[ammers], Dec. 13."

No. 384

8921/E624646-48

Memorandum by the Director of Department IV

BERLIN, December 7, 1934.

IV Rd. 5984.

The Lithuanian Minister called on me today, having made the appointment to do so three days ago. After some brief preliminary remarks, the conversation came round to the Memel question. M. Šaulys stated that German-Lithuanian relations had so deteriorated because Germany had not been willing to exchange views on the problems affecting the two countries. As against this, I made it perfectly clear that Germany had always shown herself ready to reach a settlement of all German-Lithuanian questions. The Lithuanian Government had always adopted a completely negative attitude and had believed that they could do what they pleased in the Memel Territory regardless of the terms of the Memel Statute.¹ In this

¹ See Editors' Note, p. 137.

connexion I drew attention, amongst other things, to the frequent discussions that had been held between Herr von Neurath and M. Zaunius,² my negotiations in Kovno in the summer of 1933, and the agreement with M. Zaunius of August 11 last year.³ During the conversation, which lasted for about an hour and a half, I further referred in detail to the latest conversations which the Lithuanian Minister had had with Herr von Neurath⁴ and Herr von Bülow.⁵ M. Šaulys referred more than once to alleged tendencies towards detaching the Memel Territory from Lithuania by force and stated that the Party authorities were pursuing this objective and that it was not known which was the official policy. I countered this by strongly emphasizing that Party and State were one, that there was only one policy, and that this was determined by the Führer and Chancellor.

M. Šaulys finally asked whether he personally could not have a conversation with me in January in order to try and bring German-Lithuanian relations back to normal. He was making this proposal on his own initiative for the moment, but would obtain authorization from Kovno. I replied that I was quite prepared for discussions, but must first draw his attention to two points. It might be that the Lithuanian Government believed they had created sufficient *faits accomplis* in the Memel Territory to be able to negotiate on the basis of the *status quo*. The impression was widespread that the most recent and particularly drastic measures against the Memellanders, measures which the Lithuanian Government themselves probably did not believe they could enforce, had only been decreed in order to provide cheap bargaining counters. I must utter the most urgent warning against entertaining any such idea. The status, brought about illegally, could form no basis for negotiations. Such negotiations would only have good prospects if the Lithuanian Government were to embark on a radical change of course in the Memel Territory and decide to carry out the Statute faithfully. I also asked him to ascertain in advance whether the Lithuanian Government were prepared and were strong enough to carry out suitable measures in respect of the various matters and persons concerned in the Memel Territory, and to afford a guarantee for maintaining a new régime there. Finally I pointed out that it was very important for the forthcoming negotiations to bring about a marked relaxation of tension in the Memel Territory within the four weeks which lay ahead of us.

MEYER

² Dr. D. Zaunius, Lithuanian Foreign Minister. For the only record which has been found of such a conversation during Neurath's tenure of the Foreign Ministry up to this time, see vol. I of this Series, document No. 47.

³ For Meyer's account of these negotiations see vol. I of this Series, document No. 405, to which the agreement of Aug. 11 forms the enclosure.

⁴ See document No. 312.

⁵ See document No. 341.

No. 385

5737/H029152-53

Ambassador Hassell to Foreign Minister Neurath

ROME, December 7, 1934.

DEAR NEURATH: Your son¹ will have given you a verbal commentary on my telegram about my latest conversation with Mussolini.² May I ask you to ask at the earliest possible moment for my supplementary report No. I 1330 of December 6,³ which will be despatched by air courier tomorrow. Furthermore, I should be very glad if you would obtain a full report about the impressions gained by the German officers who are staying here just now under the command of Colonel von Stülpnagel.⁴ It is not altogether easy to reconcile these impressions with Mussolini's outburst and one might be led to suppose that there was some divergence between the army and the political leadership. However, I should not like simply to take this for granted, or at least only in so far as the army will cling by instinct to the link with Germany whilst Mussolini has allowed himself to be influenced more and more against the Third Reich. I say Third Reich deliberately, since almost every sentence in Mussolini's statements contained the word "Party", on which he concentrated his reproaches, whilst he spared "those responsible" and spoke well of the Reichswehr. He even spoke in this sense to Professor Sauerbruch⁵ who was here recently, and incidentally, as Sauerbruch will have told you, he also spoke very well of you as a friend of Italy's, and added that he had full confidence in me, because I understood the Italians, was sincere and, above all, spoke my mind. It is particularly this friendly conversation with Sauerbruch which makes it seem likely that only a small part of Mussolini's statements was due to an outburst of temper, but that the major part was deliberate though, as it seems to me, unsuccessful. Moreover, the fact that Suvich was brought in does not appear to be particularly significant since, as I have learned in the meantime, M[ussolini] has been doing this recently in all conversations with foreign diplomats so as to save having to make a note of them afterwards for Suvich.

It now seems to me that what in fact matters most is for us to restore a certain minimum of mutual trust and thus to prevent Italy from going over more or less unconditionally to the Franco-British camp when the armaments question is reopened shortly.

With kind regards,

Yours etc.,

VON HASSELL

¹ K. A. Freiherr von Neurath, Attaché at the German Embassy in Rome.

² Document No. 376.

³ Document No. 381.

⁴ An account of talks which members of his mission had had with Italian staff officers is contained in a memorandum of Dec. 10 by Col. von Stülpnagel (5573/339905-10).

⁵ Professor Ernst Ferdinand Sauerbruch, the famous German surgeon.

No. 386

8539/E597772-73

*The Foreign Ministry to the Reich and Prussian Ministry of the Interior*¹

Draft Express Letter

BERLIN, December 10, 1934.

P 12282.

In agreement with the Reich Ministry for Public Enlightenment and Propaganda it is requested that the ban on the Swiss newspapers *Der Bund*, *Neue Zürcher Zeitung* and *Basler National-Zeitung*, which expires on January 10, 1935, should not be extended for the time being.

Since for one thing the attitude of these papers has improved, especially of late, the discussion of the German Church question has become less acrimonious, the German-French understanding on the Saar question has had a calming effect, and finally since the ban is due to expire three days before the Saar plebiscite and we have every interest in the plebiscite's being favourably reported in the Swiss press, the date for readmitting the aforementioned newspapers into Germany appears to have been tactically well chosen.

It is therefore intended, if you have no objection, to instruct the Legation in Berne to inform the Federal Government privately that Germany does not propose to extend the ban if the Swiss Government will lift their ban (on the *Völkischer Beobachter*, the *Angriff* and the *Berliner Börsen-Zeitung*) on the same date.

Our Minister would further be instructed to state that if, by any regrettable mischance, fresh inflammatory or slanderous articles should appear in the newspapers, we should be compelled to reimpose the ban.²

By order:

A[SCHMANN]

¹ Typewritten marginal note: "Before despatch to St[ate] S[ecretary] Funk for his information. Aschmann, Dec. 10." The document is marked by hand "Cessat" diagonally across its first page, and was therefore not despatched. For the reasons for this cancellation see document No. 395 and footnotes thereto.

² A note attached to the document here printed reads: "Herr Geheimrat Aschmann: The Führer is doubtful as to the wisdom of lifting the ban and favours rather the immediate extension thereof unless it can be established with certainty that the newspapers in question have stopped their anti-German agitation. W. F[unk], Dec. 11."

No. 387

2980/581421-23

Memorandum by the Foreign Minister

BERLIN, December 10, 1934.

RM 1406.

[II Balk. 3035 R.]¹

M. Comnen, the Rumanian Minister, who returned from Bucharest three days ago, called on me today in order to inform me of the outcome of his conversation in Bucharest. He began by stating that the proposals which he had drafted on the subject of German-Rumanian trade² had been approved in principle by the Rumanian Government. The Rumanian Minister of Trade would be coming to Berlin on December 15 for a general discussion.³

M. Comnen then described with much circumlocution how, on the strength of the impression he had gained here, he had questioned M. Titulescu concerning his attitude towards Germany. Thereupon M. Titulescu had definitely assured him that he was in no way anti-German.⁴ The entire aim of his political work was the pacification of Europe. When, in reply, I remarked to M. Comnen that it was probably due to differing conceptions of the methods best suited to the pacification of Europe that we had not always felt that M. Titulescu was well disposed towards us, the Minister stated that M. Titulescu had even expressly instructed him to inform us that he was at all times prepared to act as a mediator in the matter of the reconciliation which we were seeking with France. I thanked M. Comnen for this kind offer, and told him I would have to reserve a communication as to the time and occasion for the action proposed by M. Titulescu.

M. Comnen then went on to tell me that he had also had a long conversation with King Carol. The King had greatly welcomed the statements which Herr Göring had made to him in Belgrade,⁵ especially the statement that Germany was not striving for a revision of the treaties and that, in particular, she would not support the Hungarian Government's revisionist policy. He had also been very much pleased

¹ Taken from another copy (5885/E431235-37).

² See document No. 302 and footnote 2 thereto.

³ No record of Manolescu-Strunga's conversations in Berlin on Dec. 15 has been found. In a memorandum of Dec. 20 (9696/E682759-61), Ritter recorded that Comnen had supplemented the statements made by Manolescu-Strunga to Schacht by telling him that the Rumanian Government had accepted Comnen's plans for an expansion of German-Rumanian trade, a figure of 100 million RM being envisaged, and had provided a provisional list of Rumanian exports. In return Ritter had informed Comnen of the composition of the German delegation for the negotiations, which they had provisionally agreed might start in January 1935.

⁴ See also documents Nos. 284 and 322.

⁵ See also documents Nos. 305 and 323.

with Herr Göring's statement that the Germans in Rumania did not wish themselves back in Hungary, because, just as in Yugoslavia, they were being much better treated than before. I replied that I must tell him quite candidly that, according to various reports I had received, Herr Göring's statement had been wrongly construed. It was correct to say that we did not support a solution by force of Hungary's revisionist claims. Nevertheless, just as we would never give up our demand for a revision of the Versailles Treaty, so Hungary could not be blamed for not wishing to accept as final the conditions created by the Treaty of Trianon. Herr Göring had also denied most categorically that he had meant to convey by his statement that we would relinquish all claim to a revision of the peace treaties.

M. Comnen tried again and again to pin me down in the matter of Göring's statements, but I firmly refused to be pinned down.

Lastly, the Minister described to me the efforts he had made to influence the anti-German Jewish press in Bucharest and to give it a true picture of conditions in Germany. He did not fail, either, to emphasize the services he had rendered when Herr von Dehn-Schmidt, the new Minister, was introduced.

V. N[EURATH]

No. 388

2406/510903

Memorandum by the State Secretary

BERLIN, December 10, 1934.

When he called today the French Ambassador evinced considerable anxiety lest Reich Minister Hess should go to Paris with Herr von Ribbentrop this week after all. The Reich Minister had indeed assured him that this was not intended, but the press was nevertheless announcing his forthcoming journey.

I assured the French Ambassador that Reich Minister Hess would not be going to Paris, at any rate not in the near future. The Ambassador, obviously in accordance with instructions received, made statements very similar to those which Foreign Minister Laval recently made to Ambassador Köster,¹ likewise hinting that a visit to London before the journey to Paris would be desirable and stressing very decisively that a definite pretext, such as a visit to an exhibition, would have to be found; he finally added that the present moment, so soon after Herr von Ribbentrop's journey to Paris, was not convenient to

¹ These statements were reported by Köster in telegram No. 1529 of Dec. 3 (5717/H024490) which bears the following handwritten marginal notes: (i) "Cabinet file." (ii) "St[at]e S[ecretary]." "[Initialled] B[ülow], Dec. 5." (iii) "Herr Hess is not going for the time being. v. N[eurath], Dec. 5."

the French Government. When the moment arrived, he—François-Poncet—would be very glad to find a plausible pretext for Reich Minister Hess's visit to Paris. He himself, just as much as his Government, was definitely in favour of goodwill journeys, if the moment were well chosen, for at least they increased one's knowledge of the other side's country and people. The Ambassador told me that about a week ago in an hour's conversation with Herr von Ribbentrop he had developed this line of thought, but he himself had been left with the impression that he had not convinced him [Ribbentrop] at all. He said, with some annoyance, that Herr v. R[ibbentrop] had made it clear that he (R[ibbentrop]) considered all diplomats (not only Köster but also Fr[ançois-] P[oncet] himself) to be complete idiots.

BÜLOW

No. 389

7477/H186947

Memorandum by the Director of Department III

BERLIN, December 11, 1934.

Herr Ritter, Herr Davidsen and I today discussed in detail with the American Ambassador the American-German economic questions¹ and particularly the question of starting negotiations on a new commercial treaty.² Mr. Dodd was, on the whole, correctly informed regarding the German point of view and promised that during his stay in Washington shortly³ he would, as far as this was in his power, press for an early start of negotiations. In Mr. Dodd's opinion understanding in the United States for the need to reduce the high protective tariffs had grown recently. The Government feared, however, that unemployment would increase through such measures and they were supported in this by industry and the very influential organized workers. Moreover, as far as economic negotiations with Germany were concerned, not only economic but also political factors were involved. It was, after all, indisputable that the feeling in America's leading circles towards Germany was unfavourable and that June 30⁴ in particular had had devastating results. Unjustified though this might seem from the German point of view, it was, nevertheless, a fact and unfortunately the President was also infected by this feeling.

For the rest Mr. Dodd asked that if it came to negotiations specialists only should be sent.

DIECKHOFF

¹ See document No. 238 and footnote 2 thereto.

² Notice of termination of the German-American Treaty of Friendship, Commerce and Consular Rights of Dec. 8, 1923 (see document No. 14, footnote 6), had been given by Germany on Oct. 13, 1934. See *Foreign Relations of the United States, 1934*, vol. II, p. 454.

³ Dodd left Berlin for the United States on Dec. 13, 1934.

⁴ See Editors' Note, p. 117, and document No. 55.

No. 390

7477/H186945-46

Memorandum by the Director of Department III

[BERLIN], December 12, 1934.

e.o. II Abr. 2809.

The American Ambassador called on me again today before his departure and in addition to what he had said yesterday¹ told me the following:

There was no doubt that the reluctance in America to start economic negotiations with Germany was more attributable to *political* than to economic reasons. The Government in Washington and, unfortunately, also the President were affected by the anti-German feeling in the United States and indeed it was not so much the general ideological differences and rejection of the policy towards the Jews and the Church in Germany as anxiety regarding German rearmament. The President had frequently written to Mr. Dodd during the past few weeks and time and again the main question had been: Is Germany preparing for war? This anxiety played a great part in Washington at present; it was due to this that the cotton negotiations with Germany had so far produced no results, for America did not wish to supply Germany with the raw materials which she needed for waging war.

I ridiculed Mr. Dodd's statements and gave him all the reasons which showed how absurd these anxieties were. The Ambassador also entirely agreed and said that he as well as his Military Attachés etc. had sent home reports in line with our views. Nevertheless, such was the feeling in Washington, and it was being fostered by despatches from American diplomats in many countries, all of which spoke of war preparations based on Berlin reports. In fact, it could not be denied that several foreign Ambassadors and numerous foreign Legations in Berlin were sending alarming reports on these lines to their Governments; he cited amongst others the Polish Ambassador who was concerned about renewed propaganda regarding the Corridor. As evidence of Germany's warlike intentions they referred to the map, which had been posted up in Berlin University and in many other places in Berlin and elsewhere in Germany, on which Alsace-Lorraine, Austria and the Corridor were shown as German territory.

Finally the Ambassador said that he would do all he could to refute these false views in Washington and expressed the hope that there might be fresh discussions on disarmament; Germany's participation in fresh talks, naturally starting from equality of rights, would contribute

¹ See document No. 389.

a great deal towards removing the fear of war. Mr. Dodd added confidentially that he did not think it was out of the question that in the not too distant future the President would press for America's entry into the League of Nations so as to leave no stone unturned which might ensure peace. There would perhaps be occasion for an initial public announcement to this effect when the completed report of the Munitions Committee of the Senate (Nye Committee) was available.

Herewith for submission to the Foreign Minister through the State Secretary.² DIECKHOFF

² The document here printed bears some pencilled emendations affecting the text which was to be communicated to certain Ministries (M120/M004620-22). This communication was in fact not made; however, a note by Frohwein of Jan. 4, 1935 (7477/H186948), states that he had informed Lt. Col. von Böckmann of Dodd's remarks orally and in strict confidence.

No. 391

9062/E635030-32

Memorandum by the Consul General in Danzig¹

DANZIG, December 12, 1934.

IV Po. 8839.

On December 11 I had a lengthy conversation with the High Commissioner. I began by expressing the hope that the High Commissioner had been able to satisfy himself that the change in the Presidency of the Senate² had not led to any change of political course and in particular that he would also fully appreciate the desire of the new Government to remain strictly within the limits of the Constitution. In a somewhat hurt tone the High Commissioner said that he continued to feel rather uneasy about the question of respect for the Constitution.³ When in public speeches high officials described as traitors persons who had availed themselves of their right to lay complaints before the High Commissioner, he was bound to feel unpleasantly surprised. I replied that he should nevertheless try and look at things from the point of view of the other side. I myself could feel nothing but the greatest contempt for those so-called Germans who thought that an imposed constitution entitled them to act against their own people. Mr. Lester replied that everybody was entitled to their own opinions in this matter, and indeed he could understand them, nevertheless this must not be allowed to lead to what he had already mentioned, namely

¹ There is no indication of how or when the document here printed was received in the Foreign Ministry; it was initialled by Deputy Director Hey of Department IV on Dec. 17.

² Following Rauschning's resignation on Nov. 24, Greiser had been elected President of the Senate on Nov. 28.

³ See documents Nos. 202 and 308.

to such statements being made in official speeches. Such statements were calculated to diminish both his own authority and that of the Council of the League of Nations, which he could only regard as disadvantageous to Danzig's own interests. He merely wanted to point out that Danzig, in spite of the present policy of understanding, might yet find herself in a position where she would have to invoke his own authority and that of the Council of the League of Nations against Polish aspirations, and in such an event it would certainly be useful if precisely this authority had been maintained intact on Danzig's side. In connexion with this he drew attention to the influence which he had exerted on Minister Papée⁴ over the question of the dismissal of railwaymen and which, as he had hoped, had caused Papée to make representations to the Polish Government to review the matter. Gratifyingly enough he also said, more or less in these words: The Poles had certainly tried to intensify the Polonization of Danzig precisely by means of the rights accruing to them in the administration of the railways. He must regard all these efforts as completely pointless since Danzig was German through and through.

The High Commissioner said that the right laid down in the Constitution to submit complaints to him should in no circumstances be allowed to prejudice the rights of the petitioners as citizens. He had heard that persons had been arrested and interrogated by the police because they had complained to him. If he had to take up such a case and it were to come before the Council of the League of Nations, it would be impossible to prevent the Danzig Government from being seriously compromised.

I listened without comment to these remarks and then asked the High Commissioner to say whether Danzig questions would come up at the next session of the Council of the League of Nations. He stated that the complaints from the Catholics would certainly have to come before the Council,⁵ and if that were the case the question of the constitutional legality of the enabling law would have to be brought up, which might lead to complications in Danzig's domestic politics, which he himself would gladly have avoided. In addition there were a large number of statements made by the Senate about complaints, so that he could not yet foresee whether further questions would have to be submitted to the Council. In this connexion Lester also mentioned the matter of the SA daggers⁶ which had not yet been satisfactorily settled.

My general impression of the conversation is that the High Commissioner is by no means pacified over the question of respect for the

⁴ Kasimierz Papée, Polish Diplomatic Representative in Danzig with the rank of Minister.

⁵ See document No. 485, enclosure.

⁶ See document No. 308.

Constitution and for the authority of the League of Nations, but he will continue to help Danzig and would like to see matters made easier for her.

RADOWITZ

No. 392

8206/E583112-23

The Foreign Minister to the Embassy in Poland

SECRET

BERLIN, December 15, 1934.
[e.o.] IV Ru. 6169.

With reference to our instructions, IV Ru. 6085 I, of December 10.¹

If the Polish Government wish to keep in touch with us over the Eastern Pact question and to hear our views about the French reply to the Polish *exposé* of September 27,² we must reckon with their promptly informing the French Government of everything we tell them about it. In addition, they would presumably find it very convenient to be able to extricate themselves from the affair in respect of France, through our placing them in a position where they could tell Paris that they had now discovered that Germany was adopting an absolutely negative attitude towards the project and they must therefore regard the whole project as being *a priori* hopeless and futile. If, on the other hand, we were to attempt to prevent this happening by giving the Polish Government to understand, through some new proposals going beyond our memorandum of September 8,³ that we were adopting a more positive attitude, we should be unnecessarily exposing ourselves and also running the risk of having such proposals discredited in advance by the French Government before we had even presented them ourselves. All these considerations must compel us to be very cautious over the Polish suggestion.

On the other hand, we cannot simply ignore this suggestion. For by so doing we would make it easier for the Polish Government, who are certainly under considerable French pressure, to end up by aligning themselves with France and Russia, and we should thus contribute to finding ourselves completely isolated in the forthcoming negotiations and having to bear sole responsibility for wrecking the pact plan. In view of these circumstances, we must so conduct our conversations with the Polish Government as to try to keep them on our side to some extent; in doing so, we must again stress the positive aspects contained in the concluding part of our memorandum. Despite the differing interests of Germany and Poland, there are points of contact

¹ See document No. 374, footnote 10.

² See document No. 226, enclosure.

³ Document No. 200.

between the German and Polish interpretations which could lead to an exchange of views and which could be brought out more clearly in the Polish Government's future expression of their views than was the case in their first *exposé*, which was somewhat casuistic.

In this sense you should, with reference to the statement made here by M. Lipski,⁴ inform M. Beck orally as follows:

We are very pleased that the Polish Government wish to keep in touch with us on the question of the Eastern Pact. Although we do not intend to join in the international discussions as long as we have not received a reply to our own memorandum, we are certainly prepared to inform the Polish Government confidentially of our views on the reply they have received from the French. In so doing we can naturally not express any views on those points in the Polish-French correspondence which deal with specifically Polish questions, such as the question of the treatment of Polish-Lithuanian relations, or the question of what effect an Eastern Pact might have on Poland's agreements with the [Baltic] Border States and with Soviet Russia. On the other hand it is certainly the case that French statements on the relation of the Eastern Pact to the German-Polish Agreement of last January⁵ touch on the most important interests common to Germany and Poland. These French statements seem to us to deal with this problem in a purely formal sense. The purport and effects of an agreement such as the German-Polish agreement are not exclusively confined to their legally definable consequences. Their real importance lies rather in the political purposes which the two Governments thereby wish to proclaim. We believe the Polish Government are at one with us in considering that, under the agreement, the guiding principle for German-Polish relations should be direct negotiations between the two Governments on all questions arising in these relations, and that such negotiations should remain undisturbed by international entanglements. This basic conception would naturally suffer if the German-Polish agreement were, so to speak, to be absorbed or overlaid by a rigidly organized and automatically functioning regional pact such as is the Eastern Pact now proposed. It would make no difference if the Eastern Pact were to include a clause expressly preserving the German-Polish agreement. It is very significant that, in their reply, the French Government are desirous of obtaining from the Polish Government an express recognition that Poland does not consider that her agreement with Germany debars her from affording military assistance against Germany in all cases provided for by the Eastern Pact. The same recognition will naturally be required of Germany. It is clear that two States which place themselves under such an inter-

⁴ See document No. 379.

⁵ Of Jan. 26, 1934; for the text see vol. II of this Series.

national régime, thereby renounce, in principle, a free bilateral development of their relations, since the other parties to the pact could, at any time, under the pretext of their undertakings to render military assistance, meddle in German-Polish discussions and disputes.

Nor, in our view, is it either for us or for Poland merely a matter of the German-Polish agreement being reduced in value by the Eastern Pact. Such reduction in value is only one symptom of the faultiness of the whole Franco-Russian conception and of the dangers arising from it. We do not know what considerations caused the Polish Government, in their *exposé* of September 27, to couch their objections less as matters of principle than as casuistic arguments, thus affording the French Government the opportunity of replying just as casuistically to particular Polish objections. We, for ourselves, certainly considered it desirable in our own memorandum to attack the idea of pacts of military assistance as such, and to contrast it with our own ideas on how to secure international peace. In our view Poland's position is comparable to Germany's in so far as both countries are geographically situated between the two main supporters of the proposed system, that is France and Soviet Russia. The actual possibilities which Germany and Poland would have to consider under the Eastern Pact are, of course, different. Both, however, would, under the functioning of the Pact, be exposed to the danger of being involved in conflicts which did not concern them, and of having to throw open their territories to foreign troops who, even as allies, could not be welcome.

On the question of Czechoslovakia being brought into the Pact, we fully share the Polish Government's view that to include this State amongst the parties to the Pact would be purely arbitrary. The observations on this point in the French Note merely confirm this. It is, indeed, clearly contradictory for France, on the one hand, to regard the military assistance commitments as the real nucleus of the Pact while, on the other hand, she proposes to release two parties, in their relations with each other, from this obligation to assist. The whole balance of the Pact would thus be disturbed; for the absence of Polish or Czechoslovak support, should one or the other of these countries be threatened, would be at the expense of the remaining parties who would remain obliged to support both these countries. It is apparent from this one French proposal alone that the whole plan is designed to create not so much a community of States afforded protection on a basis of parity, as a military grouping of Powers having a quite definite aim. The explanation advanced in the French reply, that Poland and Czechoslovakia already have obligations of non-aggression, is very thin, as the same also applies to most of the other parties to the Pact.

As we have already done in our memorandum, the question should

be raised in general terms as to what should be the basis for selecting the parties to such a pact. Should it be desired to base a peace organization on the idea that it must be almost entirely dependent on the attitude of the Great Powers, then a combination of Russia, Poland, Germany and France would be for consideration, and it would also be necessary to try to include Britain and Italy. In this case the small Baltic States could not, of course, be treated *au pair*, as their vote does not after all carry the weight of the votes of the Great Powers. If, on the other hand, the Pact is to be really based on a region in the geographical sense, one is forced to conclude that neither France nor Czechoslovakia are qualified to join a North-Eastern pact.

For all these reasons it appears to us proper to maintain the point of view set forth in our memorandum that, if it is intended to create a new multilateral system for safeguarding peace in the North-East, this should not be based upon the concept of obligatory military assistance but of preventing war. The two principles of a collective obligation of non-aggression and of consultation in the event of war, constitute in actual fact the framework within which, as things are at present, it would be possible to achieve effective guarantees of peace without danger. We have already emphasized in our memorandum that these two principles could be made the subject of a pact, not merely in the form of vague provisions but set out quite concretely.

Finally as regards the present state of the negotiations, they have been placed in a very curious light by the Protocol⁶ which was signed in Geneva by Litvinov and Laval on December 5. It is our impression that this Protocol derives from the fact that Litvinov, dissatisfied with the slow progress of the negotiations, at least wished to return home with the assurance that his fellow negotiator would not abandon the project and turn to other possibilities. Be this as it may, it was in any case curious procedure for two Powers, who met for the purpose of taking the initiative in a matter such as the projected Eastern Pact, to consider it necessary to convince one another by a special instrument of their honest intention to continue the negotiations. The fact that, as would appear to be the case from information available to us, the two Governments are now approaching other prospective participants to induce them to join the Geneva Protocol,⁷ is one which we find it hard to understand. Such accessions would in fact anticipate the final acceptance of the Eastern Pact and represent an obligation which could be just as well assumed, should it really be desired to do so, by accepting the proposed pact itself. Czechoslovakia's decision to join

⁶ See document No. 382, footnote 1.

⁷ In a memorandum of Dec. 14 (6695/H101885) Meyer recorded a conversation on that day with Lipski who had brought up the Eastern Pact question and who had further told him that the French and Soviet Governments had also informed Poland and the [Baltic] Border States of the Franco-Russian Protocol.

the Protocol at once is not surprising in view of her whole attitude. We cannot, however, think that those Powers who have so far opposed, or shown reserve towards, the projected plan will now adopt a different attitude towards the Protocol.

We should be glad if the Polish Government in their further deliberations would bear these ideas of ours in mind and we should, in any case, be grateful if they would inform us of their decision.

To the above statements on our conception of a pact designed to prevent war in contrast to a pact of military assistance, I would add, for your information, that discussion of these two types of treaty might well give rise to the question of whether one could not reach a compromise, making reciprocal military assistance among the parties to the treaty optional only. The other side might, for instance, consider a pact which would contain, not assistance, but rather provisions expressly allowing the parties to make individual agreements on military assistance among themselves. It is clear that if such a compromise were discussed, the question would immediately be raised as to whether a Franco-Russian military alliance would be acceptable. If this point comes up in your conversation with M. Beck, you should merely say that you cannot make any statement in principle on the question of whether optional military assistance is acceptable. In any case, a multilateral pact which is in fact only a cover for a military alliance of one group of Powers against another group of Powers or against a single party to the treaty, appears to us impossible.

I would further add the following for your information: It is obvious that, if the Eastern Pact question is again brought up for examination by us, our decision will be affected not only by the above-mentioned considerations, but also quite materially by the question of equality of rights and our re-entry into the League of Nations. We have no reason, however, to go into this with the Poles now. Should M. Beck ask you about this, please tell him that your instructions only concern the above statement on the pact plan as such, but that in your opinion our familiar attitude on the questions of equality of rights and the League of Nations has not altered.⁸

VON NEURATH

⁸ An undated rough draft of the instructions contained in the despatch here printed, showing various alterations, has also been found (6695/H101872-84). In a memorandum of Dec. 15 (6695/H101887) Bülow recommended to the Foreign Minister that these instructions be now sent, in view of Lipski's visit the previous day (see footnote 7 above) and as the situation might change from day to day; since the instructions kept to the lines of the German Memorandum [document No. 200] it did not appear necessary to resubmit them to Hitler. No record of the first submission to Hitler has been found. A minute dated Dec. 16 (6695/H101896) states that the Foreign Minister wished the Ambassador in Warsaw to carry out these instructions with Beck on Dec. 20 so as to leave as little time as possible between the *démarche* and the Christmas holidays, but according to a minute of Dec. 19 by Meyer (6695/H101910) the *démarche* was to be made that same day as Beck was leaving Warsaw on Dec. 20.

No. 393

M33/M000982-83

Minute by an Official of Department II

BERLIN, December, 17, 1934.

e.o. II Abr. 2783.

1) Lieutenant Colonel von Böckmann informs me that my memorandum¹ on the coming armaments negotiations has been discussed with the competent officials in the Reichswehr Ministry, in particular with the Reichswehr Minister himself and with General von Reichenau. These gentlemen were much inclined to the opinion that we should not return to our former demands and promises, but regard them as out of date. They believed that we would do better to make really large-scale demands, for instance: as regards the strength of our forces, we should claim a fixed proportion to that of the others, and as regards materials, we should demand the same classes of weapons as all the others have. Herr von Böckmann informed me that it had also been said in the course of the discussions that the others must first once more recognize our equality of rights before we could embark on any negotiations at all. I again drew Herr von Böckmann's attention to the reasons which make it desirable that we should start from the demands which the Führer made during the negotiations in the spring, and, going on from there, try to enlarge their scope. Besides this I told him that, if we were to raise once more the demand for recognition of our equality of rights, which we had in any case long regarded as ours in fact, we would be returning to an earlier stage of the negotiations. Lieutenant Colonel von Böckmann said that he personally appreciated my observations, but he believed that the Reichswehr Minister and General von Reichenau would firmly oppose the tactics described in my memorandum. He himself had expressed the opinion that a programme should first be drawn up in the Reichswehr Ministry listing what it was desired to achieve in the military sphere at the negotiations, and possibly giving maximum and minimum figures; the way in which these aims were achieved in the negotiations should then, in his view, be left to the Foreign Ministry. The Reichswehr Ministry will now draw up such a programme and send it to us.

Submitted herewith via Ministerialdirektor Köpke and the State Secretary to the Foreign Minister for information.

2) To be filed.

FROHWEIN

¹ Not printed (7477/H186894-906); this memorandum, entitled "Observations on the present position of the armaments question (beginning of December 1934)", had been handed by Frohwein to von Böckmann on Dec. 10, 1934 (7477/H186909).

No. 394

8115/E580989-93

The Foreign Ministry to the Embassy to the Holy See

Drafting Officer:

BERLIN, December 18, 1934.

Senior Counsellor Menshausen

zu II Vat. 1388.¹

Since the results achieved on June 29² last in the negotiations with representatives of the Hierarchy on the application of Article 31 of the Reich Concordat³ have not met with the approval of either the Holy See or the entire German Hierarchy, and since it has not been possible so far to reach agreement, you should send a Note to the Cardinal Secretary of State before the Christmas holidays, couched in the following terms:

"The Reich Government have immediately subjected the Notes of His Eminence the Cardinal Secretary of State of May 14⁴ and September 2⁵ last, about the questions still outstanding regarding the application of the Reich Concordat, to close study. They have, however, refrained from replying in writing because, as they have frequently indicated, they consider it more expedient to clarify and compose existing differences by way of oral discussions. The Reich Government's hope thus to achieve their desired aim as soon as possible seemed to have become reality when in June of this year an agreement was worked out during negotiations, conducted with frankness and mutual trust, between the representatives of the Reich Government and the three representatives of the German Hierarchy, in which the questions for discussion were settled in a manner satisfactory to both parties. This mutual agreement found particular expression in the official communiqué⁶ which was published immediately after the conclusion of these negotiations and the text of which had been explicitly approved by the three Bishops. The representatives of the Reich Government believed that they could now regard the consent of the Chairman of the Fulda Conference of Bishops,⁷ which the three Bishops said they

¹ II Vat. 1388 is a minute by Menshausen dated Dec. 17 (8115/E580988) which reads: "The despatch of the draft Note contained in the attached instructions to the Embassy to the Holy See [the document here printed] seems to be indicated for the following reasons: (1) to place the Vatican in the wrong for calling *post factum* for the Bishops' statement of views and for the subsequent rejection of the outcome of the negotiations of June 29, 1934 [see document No. 212]. (2) In order to prevent ourselves being placed in the wrong for not answering the Note of Sept. 2 [see document No. 195, enclosure]. (3) Because we must still reckon with the publication of the Vatican White Book which is said to be ready. (4) Because of the forthcoming Christmas allocution by the Pope."

² See document No. 50.

³ See vol. I of this Series, document No. 371.

⁴ Not printed (8115/E580676-749). See also vol. II of this Series, letter from Bergen to Neurath of May 24, 1934.

⁵ See document No. 195, enclosure.

⁶ See document No. 50 and footnote 4 thereto.

⁷ See document No. 50 and footnote 6 thereto.

must obtain, as a mere formality, since they assumed that the three Bishops delegated by the conference of the entire Hierarchy held at Fulda shortly before, had been given sufficient authority to conclude binding agreements. However, contrary to all expectations, the result of the negotiations was first submitted once again to the assembled Bishops for their opinions. Unfortunately, the time lost through obtaining and examining these numerous expert reports was not made good by approval of the agreements of June 29; on the contrary, matters were made even worse by the fact that the new draft submitted in September⁸ by the Bishops in agreement with the Holy See made many, in part very considerable, changes in the outcome of the negotiations. None the less, the Reich Government have scrutinized this new draft in a most conciliatory spirit and, while making extensive allowances not only for formal but also for practical wishes, have replied to it with only a few minor counter proposals. However, the representatives of the Hierarchy stated that they could only take note of the counter proposals *ad referendum* and were not empowered to enter into negotiations on them.

"The Reich Government had regarded the conversations with the German Bishops, suggested at the time by the Holy See, only as a means for promoting the agreement which, pursuant to Article 33, paragraph 2, of the Reich Concordat, was to be reached between themselves and the Curia on the existing differences of opinion. They therefore, as is known, intended in November of this year once more to send their plenipotentiary, Ministerialdirektor Buttman, to Rome to resume the direct negotiations which were broken off in April last, with the object of reaching final agreement.

"The Reich Government hope that the confidential exchange of views between the Apostolic Nuncio in Berlin and Ministerialdirektor Dr. Buttman, which the Holy See has meanwhile suggested,⁹ might help to clarify outstanding questions to such an extent as to enable the final negotiations in Rome to take place at the earliest possible date. They are convinced that the instructions to be issued to State and Party authorities when final agreement has been reached will dispel the fears expressed in the Note of September 2, and provide the Holy See with a comprehensive guarantee that the agreements reached will be put into operation."

I should be grateful for an early report on the carrying out of these instructions.¹⁰

By order:
KÖPKE

⁸ See document No. 212 and footnote 1 thereto.

⁹ See document No. 353.

¹⁰ In despatch No. 511 of Dec. 21 (8115/E581012-15), Bergen reported that he had carried out these instructions and enclosed a copy of the Note, A 771 of Dec. 21, which he had communicated to the Cardinal Secretary of State.

No. 395

8539/E597774-79

Memorandum by the Head of the Press Department

IMMEDIATE

BERLIN, December 19, 1934.

zu P. 12282¹ II.

To be submitted to the Foreign Minister² via the St[ate] S[ecretary].

In view of the general *détente* and the impending Saar Plebiscite, the Foreign Ministry, in agreement with the Legation, had envisaged³ that the ban on the *Berne Bund*, the *Neue Zürcher Zeitung*, the *Basler National-Zeitung* and *Das Vaterland*⁴ should not be renewed as from January 10, 1935. State Secretary Funk has, however, informed us as follows: The Führer and Chancellor is doubtful as to the wisdom of lifting the ban and favours rather an immediate extension thereof, unless it can be established with certainty that the newspapers in question have stopped their anti-German agitation.⁵

A detailed discussion⁶ of the matter between myself and Minister Freiherr von Weizsäcker on the basis of the Führer and Chancellor's directive resulted in the following conclusions:

A lifting of the ban on the Swiss papers with a simultaneous lifting of the prohibitions which have been imposed for an indefinite period on the three German papers, the *Völkischer Beobachter*, the *Angriff* and the *Berliner Börsen-Zeitung*⁷ by the Federal Government would produce the following favourable results:

(1) The readmission of the four⁸ Swiss newspapers with the re-establishment of the necessary [distributing] apparatus would bring pressure to bear on the editors by requiring the exercise of greater restraint both as to tone and as to the reporting of harmful and inflammatory news in order to avoid a reimposition of the ban resulting in renewed financial losses.

(2) The anti-German tone and attitude of the papers would not continue and become confirmed, with the danger of finally becoming a matter of course.

(3) The Swiss newspapers in question are widely read in Europe and the U.S.A. and thus represent a source of anti-German propaganda⁹ which is by no means negligible.

¹ Document No. 386.

² Undated handwritten note at this point, "Discussed orally, A[schmann]".

³ See document No. 386.

⁴ The reference to *Das Vaterland* was subsequently deleted.

⁵ See document No. 386, footnote 2.

⁶ No record of this discussion has been found.

⁷ See document No. 70 and footnote 2 thereto.

⁸ The word "four" has been altered to "three".

⁹ The words "throughout the world" have been inserted here.

(4) In this respect the influence of the *Neue Zürcher Zeitung* particularly is not to be underestimated, whilst, for example,¹⁰ the Catholic *Vaterland* is only important by reason of its close connexion with Motta (this paper was banned indefinitely on May 31 last).

(5) Irrespective of the above considerations, these newspapers and especially the *Neue Zürcher Zeitung* are interested, on grounds of prestige, in being allowed to reappear in Germany.

The Führer and Chancellor has, however, made the lifting of the ban dependent on genuine evidence that the papers have stopped their anti-German agitation.

It cannot be established that this is the case. Admittedly a definite improvement was noticeable in the tone of the newspapers during October and November; towards the end of November, however, it had on the whole deteriorated. The occasion for this was the assertion constantly made at this time in the foreign press that National Socialism was faced with a crisis which would only be held in check until after the Saar Plebiscite, that it would become acute after January 13 and that then National Socialism would have arrived at the cross-roads and would have to decide between conservatism and socialism. This representation of the situation in Germany was then associated increasingly with baseless accusations and harmful rumours etc., etc., with the object of undermining the belief held abroad that Germany was on the way towards consolidation.

The ban is therefore to be prolonged. On the one hand it would seem undesirable to announce its extension shortly before the Saar Plebiscite, lest precisely at that juncture the inevitable press campaign be unleashed in Switzerland; on the other hand it was likely that one or other of the banned newspapers would take up the question of the ban sooner or later and give us a welcome opportunity of reacting. This did not, however, happen. The ban must therefore be extended, preferably in the form, adopted by the Swiss Government, of a ban for an indefinite period, so that in any future negotiations the Reich Government can proceed from the same point of departure as Switzerland and will not be forced to announce a renewal of the prohibition period when it runs out, with a consequent sharpening of tone etc.

A ban for an indefinite period should be announced by the Reich Ministry of the Interior.¹¹ It would be desirable for DNB at the same time to publish a semi-official press communiqué reading somewhat as follows:

"We understand that the prohibition in Germany of the well-known Swiss newspapers *Neue Zürcher Zeitung*, *Basler National-Zeitung* and *Der Bund* has been indefinitely extended. It was undoubtedly the

¹⁰ The words "*Der Bund* is not very important and" have been inserted here.

¹¹ In a circular dated Dec. 22 (8539/E597770) the Ministry of the Interior announced that the ban had been extended indefinitely.

desire of the authorities concerned to end the existing situation and to readmit the Swiss newspapers to German territory. For this, however, the necessary preconditions, as must be stated with regret, have not been fulfilled. While the German press, including those newspapers banned in Switzerland, has, as cannot be disputed, always been at pains to adopt a purely factual tone in all matters affecting Switzerland and has avoided any undesirable interference in Swiss internal affairs, even an unbiased and objective observer cannot come to this conclusion in regard to the treatment of German affairs by the Swiss newspapers. The attitude of these newspapers, especially as noted during recent weeks, makes it impossible to permit their distribution in Germany in the near future, and as, in view of this development, a date for their readmittance can unfortunately not be envisaged, the ban must be extended for an indefinite period; this is, moreover, in accordance with the measures which the Federal Government have themselves taken."¹²

ASCHMANN

¹² The document here printed reproduces the draft communiqué in its original form. The memorandum was submitted to Department II for countersignature. The following comments are on two separate sheets of paper (8539/E597780-81): (i) "St[ate] S[ecretary]. I find the draft communiqué rather infelicitous; much too long, much too whining: the appeal to the 'unbiased and objective observer' is not at all effective and would only infuriate the Swiss even more. I would not put anything in writing, but only bargain. Köpke, Dec. 20." (ii) "Resubmitted to the Dirigent [i.e., Aschmann]. Should this now be transmitted to the St[ate] S[ecretary]? Clerical Office [of the] Press [Department]." (iii) "To be respectfully submitted to the St[ate] S[ecretary] with reference to M[inisterial] D[irektor] Köpke's remark. The 'whining' [phrase about] regret was included at the request of the Legation in Berne. Aschmann, Dec. 21." (iv) "Please word it somewhat more briefly. B[ülow], Dec. 21." The text of the draft communiqué was amended, mainly by Aschmann, to read as follows: "We understand that the prohibition in Germany of the well-known Swiss newspapers, the *Neue Zürcher Zeitung*, the *Basler National-Zeitung* and *Der Bund* has been indefinitely extended. The necessary preconditions for readmitting them have not been fulfilled. While the German press, including those newspapers banned in Switzerland, has always been at pains to adopt a purely factual tone in all matters affecting Switzerland and has avoided any undesirable interference in Swiss internal affairs, this has not been the case in regard to the treatment of German affairs by the Swiss newspapers concerned. The attitude of these newspapers, especially as noted during recent weeks, has justified the decision to extend the ban, this time for an indefinite period; this is, moreover, in accordance with the measures which the Federal Administration have themselves taken." The communiqué was published in the press on Dec. 22.

No. 396

7949/E574192-96

The Ambassador in Great Britain to the Foreign Ministry

A 4582

LONDON, December 19, 1934.

Received December 27.

II SG 9141.

Subject: Conversation with Eden.

I called on Mr. Eden today and got him to talk to me about his

experiences in Geneva and his assessment of future developments in the light of these experiences.

Eden first described the swift and dramatic course of events which led to the British suggestion that an international force should be sent into the Saar Territory to protect it;¹ he gave the same reasons for the British Government's decision as are known to you from my reports, that is, briefly, that Britain feared that in the event of trouble in the Saar Territory—although this is thought to be very unlikely—no other possibility might remain but that of a hasty, more or less sanctioned, French advance into the plebiscite area. Eden did not conceal his satisfaction at the solution which has been found and expressed the hope that Germany, likewise, might be not dissatisfied with the result. He spoke with great annoyance about the incident at Saarbrücken,² which might have been enough thoroughly to spoil the atmosphere, and he remarked that he had always felt the international police force to be a little sinister because of its somewhat dubious composition, and that, for this reason too, he had preferred a disciplined military force.

Eden expressed himself as very favourably impressed by Laval. He emphasized that Laval had given him very effective support in the settlement of the Hungarian-Yugoslav conflict³ and on the Saar question had given him clearly to understand that the present French Government were giving no support to those in favour of retaining the *status quo*. Whether the initial good impression of Laval would become a lasting one was a question which Eden left open. In any case he emphasized that Laval had made a sensible, calm, and reasonable impression, and that his attitude towards Germany, which they had discussed several times, had appeared to be thoroughly positive and satisfactory.

Eden furthermore informed me that the Council of the League of Nations would meet for its next session on January 11 in order to be assembled during the Saar plebiscite; he also said that at this same meeting the Council would probably take the decision on the future of the Saar Territory on the basis of the result of the plebiscite, which would of course be available on January 14. Sir John Simon intended personally to represent Britain at this session. I took the opportunity of pointing out to Eden how important the coming decision was, and I emphasized as a matter of course that possible ideas of partitioning the Saar Territory could naturally have no place in this decision. From Eden's reply, which he kept to generalities, it seemed to me clear

¹ See documents Nos. 375 and 377, and Editors' Note, p. 714.

² On Dec. 16, 1934, when a British member of the International Volunteer Police Force was roughly handled by a crowd after an accident in which his car slightly injured a woman pedestrian. He drew his revolver and in a struggle it was discharged, injuring a bystander. He was suspended from his duties pending an enquiry. See *The Times* of Dec. 17, 1934.

³ See Editors' Note, p. 468.

that he himself did not expect any demands for partition from anyone either.

Our conversation then turned to the question of the further treatment of the disarmament problem; I gave it as my impression that Laval appeared to be not altogether opposed to giving Germany equality of rights, but unfortunately wished to link it up with the demand for Germany's entry into that wretched Eastern Pact. I explained that such a policy seemed to me to be doomed to failure from the outset, since, as was well known, Germany could not take part in the Eastern Pact, as I had at the time explained at length to him and Simon. Eden did not deny that we were justified in our objections to the Eastern Pact, but repeatedly said that it would not be possible to prevail upon France to legalize German rearmament if she did not obtain, simultaneously at the latest, a new additional guarantee of security for Laval to parade before the public. If, said Eden, Laval were to wish to grant Germany practical equality of rights without obtaining something in return, his career as Foreign Minister would not last another day. The question was, therefore, whether, if Germany continued to oppose the Eastern Pact, something else could be found which would give France additional security. It was for Germany to consider whether she could not make such practical suggestions for altering the idea of the Eastern Pact as might satisfy the French need for security in the same way as the original project.

I took the opportunity of once more attacking the basic concepts of the Eastern Pact in the usual way and of drawing attention to the Franco-Russian Agreement recently signed in Geneva,⁴ which, in its far-reaching provisions, which also allow already for the failure of the Eastern Pact, shows how closely linked the French and Russian policies are.

To Eden's interjection that for us the Eastern Pact must be a lesser evil than a Franco-Russian alliance, I retorted that the Eastern Pact was at bottom nothing but a disguised alliance between France and Russia, made to appear more acceptable by using the façade of the League of Nations and by treacherously camouflaging it as an ordinary regional agreement.

In the further course of the conversation Eden gave it as his opinion that Litvinov is the driving force behind the efforts to bring about the Eastern Pact and that the suggestion for the Geneva Agreement must also have come from him. He further remarked that Simon and he would probably discuss the further treatment of the disarmament question in Geneva in January, and he intimated that an understanding with Germany, if France could be got to agree to such a thing, would certainly not be opposed by the British Government.⁵

V. HOESCH

⁴ See document No. 382, footnote 1.

⁵ This document is marked: "The Chancellor is informed. L[ammers], Jan. 21".

No. 397

6695/H101930-32

The Ambassador in Poland to the Foreign Ministry

Telegram

No. 98 of December 19

WARSAW, December 20, 1934—2:03 a.m.

Received December 20—5:00 a.m.

IV Ru. 6251.

With reference to despatch IV Po. 7169 of Dec. 15.¹

I have, as instructed, informed Foreign Minister Beck of our views on the French Eastern Pact Note.²

M. Beck, who interrupted me several times to interject words of approval, thanked me for the information and promised to keep it in mind in further deliberations.

When I spoke about the relationship of the German-Polish Agreement³ to the Eastern Pact, M. Beck pointed out how differently this matter was treated in the Polish⁴ and French Notes. He had wished, by expressly including this agreement in the Eastern Pact, to establish its integral importance for all provisions which the treaty might contain, while the French reply was obviously only concerned with the non-aggression undertaking. He also admitted that there was a possibility that the other parties might intervene in German-Polish discussions, and remarked that foreign Powers had benefited long enough from German-Polish differences. The progress brought about by the German-Polish Agreement would in any case have to be maintained.

M. Beck referred to the casuistic tone of the Polish *exposé*, and said that the emphasis lay on the first part, which contained statements on principle, while the particular questions mentioned later were only included as examples. The French reply, which was obviously drafted by officials, unfortunately dealt only with these particular questions and ignored the main issue.

The statements regarding Czechoslovakia were fully approved; the juridical arguments about the balance being disturbed appeared, in particular, to interest M. Beck very much. He pointed out, moreover, that the non-aggression pact between Czechoslovakia and Poland did not in fact exist.

M. Beck also concurred with our views regarding the selection of parties to the Pact.

M. Beck did not state any express views regarding the possible re-

¹ The reference was corrected to IV Ru. 6169 (document No. 392).

² See document No. 379, enclosure.

³ Of Jan. 26, 1934; for the text see vol. II of this Series.

⁴ Document No. 226.

drafting of a multilateral act designed to secure peace, but referred in this connexion to the first section of the Polish Note, in which it is argued that there is no need for further guarantees of peace. M. Beck mentioned the agreement concluded between Litvinov and Laval in Geneva,⁵ and recalled that many weeks ago he had already described Litvinov as the driving force behind the Eastern Pact. He declared, moreover, that he could never consider joining this agreement since he refused to have his hands bound by a pact the scope and text of which was not even known as yet. In this connexion he could tell me in confidence that only a few days ago the French had asked him to declare that he approved, at least in principle, of the basic ideas in the Eastern Pact. He had refused because he could not decide to recognize these ideas as being pertinent. He was perfectly willing to discuss these problems further, but there would have to be a radical reconstruction of the whole pact if he was to give his approval in principle.

With regard to the further treatment of the French Note, M. Beck said that the Polish side would do nothing further before the beginning of January. Whether he would then make a reply in writing or negotiate orally with M. Laval in Geneva had not yet been decided. He inclined towards the latter course.

M. Beck will go on leave tomorrow for about ten days. He told me that he intends first to go to Copenhagen in order, amongst other things, to discuss a historical question, in which he is at present interested, with the Polish Minister there,⁶ who is a historian. From there he may go to Southern Sweden and possibly also to England.⁷

MOLTKE

⁵ See document No. 382, footnote 1.

⁶ Michal Sokolnicki.

⁷ According to a memorandum by Meyer of Dec. 21 (6695/H101942-43), Lipski had told him that day that Beck, when passing through Berlin, had expressed himself most satisfied concerning his conversation with Moltke and had asked Lipski to convey his gratitude for this full information.

No. 398

6115/E454975-77

Memorandum by the Deputy Director of Department II

IMMEDIATE

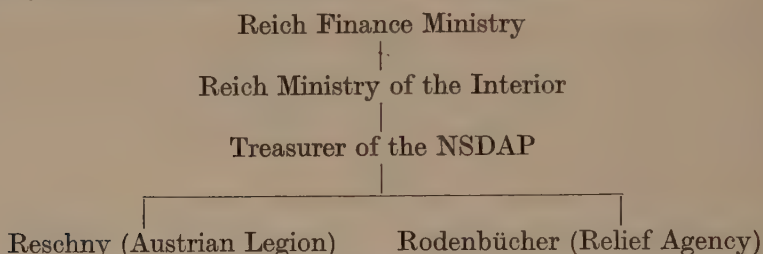
BERLIN, December 20, 1934.

SECRET

e.o. II Oe. 3477.

At an inter-departmental meeting which took place on the 18th of this month it was stated by representatives of the Reich Ministry of the Interior and of the Reich Ministry of Finance jointly that, pursuant to conversations between the Reich Ministry of Finance and the

Führer's Deputy,¹ it had been agreed that, as from January 1, 1935, financial relief for the refugees should be administered centrally by the Welfare Department of the Reich Ministry of the Interior, in consultation with the Relief Agency. According to what Obergruppenführer Reschny told the Reich Ministry of the Interior, this arrangement, which would have been most welcome from the Foreign Ministry's point of view, has been changed by order of the Führer. Gruppenführer Rodenbücher's competence has been restricted to providing for the Austrian refugees, exclusive of the Austrian SA (Legion), which has been placed under the command of Obergruppenführer Reschny. Furthermore, the Treasurer of the NSDAP, Schwarz, has been brought in to work between the Reich Ministry of the Interior, on the one hand, and Rodenbücher and Reschny on the other. Thus financial questions relating to Austrian refugees in Germany are dealt with by the following authorities in the order shown:



As regards areas of competence, matters remain as they were, that is to say Chief of Staff Lutze is responsible for the Austrian SA and the Führer's Deputy for the Relief Agency for Refugees and Dependants.

II. On this occasion Herr Reschny informed the Reich Ministry of the Interior that the Führer had ordered the Austrian Legion to be stationed in the Rhineland near the Belgian frontier (to all appearances without arms, but in uniform, in twelve camps), in order to be available there "in case anything should happen" (according to a remark from another source this might refer to the Saar). There were about 9,000 men involved, as the Austrian refugees from Yugoslavia were to be drafted to the Austrian Legion. Herr Reschny has pressed the Reich Ministry of the Interior very hard to let him have the required funds soon, so as to be able to begin the construction of the necessary barracks immediately. In view of the importance of the question as regards foreign policy, the Reich Ministry of the Interior has, for the moment, put off granting the necessary credits in order to give the Foreign Ministry an opportunity of stating its views on the question.

¹ The record of a high-level interdepartmental meeting on this subject held on Nov. 22 is not printed (6133/E457147-54). On Nov. 26 Neurath informed Schacht by letter that Hitler had decided that the requisite foreign exchange must be provided (6133/E457166). Further material on the question of providing financial assistance for Austrian refugees has been filmed on Serials 6115 and 6133.

Submitted herewith to Ministerialdirektor Köpke. It is obvious that leaving the Austrian Legion intact under Reschny's command² and, what is more, transferring the Legion to the German-Belgian frontier area, must give rise to the most serious political objections (also with regard to the demilitarized zone).³

RENTHE-FINK

² See also document No. 362.

³ Marginal note: "First to Herr Frohwein: Are there any objections to stationing the men in the Western frontier area as proposed? What are the regulations for the SA and SS in this zone? Do these standing orders conflict in any way with the proposed procedure? Possibly for discussion with Herr von Renthe-Fink, Heinburg and II Oe. Köpke, Dec. 20."

No. 399

5669/H015002-06

Memorandum by the Director of Department II

BERLIN, December 20, 1934.

II Fr. 4141.

The French Ambassador called on me today, primarily in order to bring up the subject of the reception accorded to Laval's speech¹ by the press and public here. M. François-Poncet said that he was astonished that the speech had been received so coldly in Germany. He had indeed reported home that the reception had been "mixed". One must, after all, admit that the French Foreign Minister had at any rate categorically denied that France had any intention of pursuing a policy of encirclement and had most warmly advocated a Franco-German *rapprochement* on the basis of equal rights.

I replied that this had, in fact, been recognized and welcomed by our press. It was, however, understandable that, on the other hand, other observations by Laval, for instance his remarks on the Eastern Pact, had not made us unreservedly happy. After all, it was France who was taking the lead in this question and not us.

M. François-Poncet then pointed out that Laval could only proceed very slowly. He must go cautiously, step by step. It was not so easy for the French Foreign Minister to pursue a policy of understanding. Laval still had to take into account a very powerful and violent opposition and could only too easily suffer a setback or even be overthrown altogether by an attack from the opposition if he made

¹ A speech in the French Senate on Dec. 18, 1934, in the course of which he expressed his faith in the success of the negotiations with Italy, and said that Poland had been given a number of explanations about the Eastern Pact and that France would shortly begin conversations with Germany on the pact, in which conversations Germany would be treated as an equal partner. For the text see *Journal Officiel de la République Française, Débats Parlementaires, Sénat*, 1934, pp. 1396-1398.

an incautious move. But Laval had already made considerable progress. His speech and its reception in France were eloquent proof of this. It was interesting that the motion approving Laval's policy, which had been adopted unanimously and with great acclamation by the Senate, came from the well-known Germanophobe Bérénger.²

The Ambassador then took up the subject of the coming disarmament negotiations and repeatedly and energetically expressed his concern over the fact that, where armaments were concerned, the appetite of the competent German authorities seemed to have grown inordinately in the meanwhile. In conversations in political circles here he repeatedly came up against the idea that the state of affairs obtaining at the time of the conversations which the Reich Chancellor had in the spring with the British,³ and also with the French Ambassador,⁴ had meanwhile completely altered. In his view fruitful negotiations could only be thought of if they were based on the standpoint, which the Chancellor had already taken up in the spring, that Germany only intended to build up defensive armaments within clearly defined limits.

In reply I told the Ambassador that in this question too everything depended on the attitude of the other Powers. Here also it was they, and not Germany, who were concerned. All the Powers had been feverishly arming since the spring negotiations mentioned by the Ambassador, and had, on their side, long since exceeded the armaments level which had formed the basis of these discussions. Since the conversations with Eden the question of the bomber aircraft had, as was known, assumed a different aspect, owing to the fact that the British, by giving orders for squadrons of very heavy bomber aircraft, had made the conditions of their own proposals illusory. In calculating the air forces of our neighbours which constitute a threat to us we must, in view of recent developments, also take into account the tremendous Russian air armaments—another argument against the spring negotiations which the Ambassador had suggested as a suitable point of departure.

The Ambassador, on the other hand, repeatedly returned to the idea—just as the Belgian Minister, Count Kerchove, had also done when he called recently⁴—that unrestrained German rearmament would completely and from the outset destroy all chance of coming to an understanding. Only limited defensive armaments, more or less within the framework of the above-mentioned Berlin negotiations last spring, could, he was firmly convinced, be considered as a basis for armaments negotiations with France and also with Britain.⁵

² Henri Bérénger, Senator for Guadeloupe, Chairman of the Senate Foreign Affairs Committee from 1931.

³ For memoranda, dated Feb. 20 and 21, on these conversations see vol. II of this Series.

⁴ No record has been found.

⁵ Marginal note in Neurath's handwriting: "This appears to be the step agreed upon by the Entente representatives."

The Ambassador then also spoke of the influence of Rosenberg's speeches and writings which was, in his opinion, a dangerous and harmful one. Only yesterday Herr Rosenberg had given another lecture which, through his racial theories and explanations, had offended almost all the other races, including the white peoples. In France the opponents and the Government Opposition [*sic*] made use chiefly of these doctrines of Rosenberg's, and also of the book *Mein Kampf*. Only recently, at a committee meeting, Franklin-Bouillon⁶ had made a great impression merely by reading out, word for word, the famous passages about Franco-German relations. The Ambassador asked whether it would be possible to withdraw *Mein Kampf*, or whether it could not at least be furnished with suitable footnotes. The most desirable and effective thing would of course be for the Führer and Chancellor to decide to make an official statement which would have a tranquillizing and enlightening effect.

I pointed out to the Ambassador that the Reich Chancellor had already repeatedly made it clear that the book had come into being at a time of conflict and under the influence of defeat in war and of the Ruhr episode which then weighed particularly heavily upon Germany, and that it was occasioned by the internal political struggle. The important thing was not the words printed at that time, but the actual policy of the Führer and Chancellor, which left no room for doubt as to his desire for an understanding, especially as regards France.

In the face of this the Ambassador insisted that every reasonable Frenchman who was acquainted with German affairs would, indeed, share this view and would not doubt that the Führer desired peace. But the book was still discussed and disseminated in the schools and elsewhere as the foundation of German foreign and domestic policy and had recently been repeatedly distributed as a prize.⁷

KÖPKE

⁶ French Deputy and journalist.

⁷ This document is marked: "The Chancellor is informed. L[ammers], Jan. 21."

No. 400

9722/E683553

Minister Stieve to Minister Mackensen

BERLIN, December 21, 1934.

DEAR HERR VON MACKENSEN: Many thanks for your kind letter of November 30¹ concerning the reply to be sent to M. Gömbös. I have

¹ Not printed (9722/E683502-05). In this letter Mackensen urged that it was high time for Gömbös' letter to Hitler of Feb. 14, 1934 (for which see vol. II of this Series), to be answered, if the German minority in Hungary were to be assisted without endangering German-Hungarian relations.

discussed the question with Herr von Bülow who, like ourselves, is of the opinion that a reply must be sent as soon as possible. I think there will be an opportunity in the New Year of making a report to the Führer and Chancellor, through the Reich Minister, on the lines suggested.² Should the Führer not wish to send the letter himself, a reply through Herr von Neurath could be considered.

I hope that your cure will have done you good and that you will soon have recovered completely from your operations.

With best wishes for Christmas and the New Year,

Yours etc.,

STIEVE

² See document No. 426.

No. 401

9093/E639591-93

Memorandum by the Director of Department IV

BERLIN, December 21, 1934.

On behalf of Reich Minister von Neurath I received the Polish Ambassador today and, in accordance with the attached memorandum, I raised the question of the I.G. Kattowitz Königshütte-Laura with some emphasis.¹

M. Lipski replied that he had already endeavoured on several occasions to bring a settlement about; he would report to Warsaw at once and would try to cause agreement to be reached in the matter of the I.G.

MEYER

¹ On this question see vol. I of this Series, document No. 473, and vol. II, *passim*. In a letter of Dec. 20, 1934 (5552/E393621-22), Director Ritscher of the Dresdner Bank informed Meyer that he had learned that the Polish Minister of Commerce, Rajchman, intended to pay creditors only one-third of their claims and not to compensate shareholders. Further documents on this subject have been filmed on Serial 5552.

[Enclosure]

MEMORANDUM ON THE PRESENT POSITION OF THE I.G.

The creditors and shareholders have asked for the matter to be raised with the Polish Ambassador.

Nearly eight months ago, in spite of our warnings, the affairs of the I.G. were placed under compulsory administration. Even after the sequestration had been decreed, the German side consistently put on record their wish that all outstanding questions should be amicably settled. Proceeding on this basis the German shareholders and creditors submitted proposals for reform which even provided for the

surrender to the Polish side of the majority shareholdings and which also envisaged considerable sacrifices on the part of the German creditors. This accommodating attitude on the part of the German creditors and shareholders has met with no equivalent response from the Polish side. The attitude of the Polish administrators has become ever more intransigent and the impression has been created that their aim is to give practically nothing in exchange for the majority shareholdings and that they intend to make the creditors suffer still further heavy losses. It has also made a very strange impression that, at the proceedings of the court of first instance at Katowice a few days ago concerning the securities in real estate held by the creditors of the I.G., the witnesses cited by them were not called and judgement was given against the banks without their evidence having been heard. The tendency to doubt the good faith of the German banks in granting credits must be emphatically countered. The attitude of the administrators would seem not to be in accord with the policy being pursued by the two Governments. With a certain amount of goodwill it would be quite possible to come to an agreement satisfactory to both sides, and it would be desirable if the Polish Government were to take the opportunity to exert influence on the administrators of the I.G. in this sense, which is in keeping with the spirit of German-Polish relations. The sooner agreement is reached, the better it will be for our mutual relations.

No. 402

8015/E575974

The Chargé d'Affaires in Ethiopia to the Foreign Ministry

Telegram

No. 26 of December 25 ADDIS ABABA, December 26, 1934—8:50 a.m.
 Received December 26—4:00 p.m.
 III O 4846.

I handed the Emperor yesterday, at his express wish in private audience and without the presence of a German interpreter, the letter from the Reich Chancellor sent with your despatch of November 27.¹ The Emperor expressed his thanks and stressed the flourishing and friendly relations between the two countries. Emphasizing his full confidence in me, the Emperor handed me a memorandum² which supplements the memorandum³ given to Minister von Schoen on his

¹ Not found.

² Not printed (8015/E576000). It formed the enclosure to report J. No. 3227 of Dec. 24 (8015/E575999) received in Berlin on Jan. 25.

³ Not printed (8015/E576001). The copy in the files, personally handed in by Minister Schoen on Feb. 4, 1935, is undated. The memorandum set out in general terms the Ethiopian desire to buy arms and other goods in Germany in return for supplies of Ethiopian goods.

departure, and which contains detailed requirements. Dietmar⁴ will bring the memorandum. The main point is the supply of modern arms and material for chemical warfare. If the German reply is favourable, the intention is to send a special representative to Berlin. I explained that in the present general situation a more definite commitment of Germany here would in no way be in the interests of Abyssinia. There could be no question of any official German agencies being concerned with the delivery of arms. Without anticipating what treatment would be given to the von Schoen memorandum, I thought I could say that this point of view was shared by my Government. I tried to turn the Emperor away from the idea of arms deliveries by explaining that I would (1) use my influence to cause the well-founded Abyssinian point of view with regard to defence against Italian intentions of attacking to be appreciated more fully by the States friendly to us, and (2) induce these States to work in the League of Nations for a satisfactory solution of the Wal Wal conflict.⁵

The Emperor expressed his grateful satisfaction at my reply.

UNVERFEHRT

⁴ Dr. H. Dietmar, Secretary of Legation at the German Legation in Ethiopia.

⁵ On Dec. 5, 1934, there had been a clash between Italian and Ethiopian forces at Wal Wal.

No. 403

8015/E575975

The Director of Department III to the Legation in Ethiopia

Telegram

No. 35

BERLIN, December 27, 1934—5:15 p.m.
zu III O 4846.¹

With reference to your [telegram] No. 26 of December 25.¹

Instructions on language to be held.

The Reich Government will observe the strictest neutrality in the Italo-Ethiopian conflict.

I approve the reply you gave to the Emperor concerning his desire for official German intervention with respect to deliveries of certain war material and request you, in future also, to preserve the greatest caution over all similar Abyssinian proposals.²

With reference to the mediation proposed at the end of your telegram, I request you not to revert to this with the Abyssinians, if only because our attitude to the League of Nations renders it impossible.

We intend to take no part whatever in this conflict.

DIECKHOFF

¹ Document No. 402.

² In a cipher letter, J. No. 381 of Feb. 26 (8014/E575963), Unverfehrt reported from Addis Ababa that he had had a lengthy conversation with the Emperor on Feb. 23, during which the latter did not raise the question of supplying war material.

No. 404

6691/H098379-84

The Minister in China to the Foreign Ministry

STRICTLY CONFIDENTIAL

PEKING, December 31, 1934.

No. 1152

IV Chi. 123.

Reference No. 7300/8671/34

Subject: The plans of the firm of Otto Wolff.

According to information which I have received from his local representatives, Herr Otto Wolff¹ intends to arrive in China about the middle of February in order to explore the possibility of doing business by barter on a very large scale between Germany and China. I have already reported on Herr Klein's plans and negotiations on similar lines. A member of the board of directors of the I.G. [Farben], Dr. Ilgner, who is on a visit to China, is studying the same questions. In addition, a few weeks ago Bank Director Jakobi (formerly of the Darmstadt Bank and China Study Association) arrived in Shanghai to investigate the possibility of Germany's participating in the development of Chinese light industry. Herr Tillmann, the former director of the Görlitz Machine Factory (a member of the well-known Rhineland industrial family who formerly had extensive interests in Russia) writes to me from Shanghai that he has plans for China similar to those which the older generation previously carried out for Russia. Directors Meissner and Nothmann have already arrived as forerunners of Herr Otto Wolff. Herr Otto Wolff has opened a branch in Shanghai.

In connexion with this gratifying but unfortunately completely uncoordinated interest which Germans are taking in German-Chinese trade, I should like to mention a conversation which I had with Mr. Li Ming, the Director of the Chekiang Industrial Bank, after his return from Germany. It had given him pleasure to find such exceptional understanding in Berlin for economic cooperation with China. He mentioned, for example, that the Reich Minister of Economics, Dr. Schacht, had told him about Germany's willingness to take Chinese raw materials in return for supplies of German industrial goods. He believes that if the present disproportion between China's exports to Germany and the much larger German exports to China were indeed to be eliminated, the Chinese banking world would also be willing to co-operate with Germany in sharing the risks entailed in business with China.

What the Germans have in mind in these discussions is understandable. It is desired to carry out *additional* barter transactions

¹ Founder of the firm of Otto Wolff & Co., a big Ruhr industrialist with interests in mining, iron and steel, shipping, and films.

over and above the present volume of German-Chinese trade. On the other hand the Chinese, naturally, are striving first of all to eliminate the disproportion in the present adverse balance in Chinese trade with Germany. The fact that efforts are being made at home to increase German exports to China, even by increasing imports into Germany from China, while at the same time the importing firms who deliver goods from China to Germany are not granted any foreign currency although German-Chinese trade produces this foreign currency, is logical from the German point of view, but is meeting with criticism from interested parties here. As a result of this policy some of the German exporting firms who finance the regular export trade from China to Germany find themselves in a difficult position. It has happened that in the case of barter transactions Chinese firms have been permitted to do export business with Germany and that in this way the normal business of German firms has been disrupted. In most cases there is just no criterion for deciding whether a barter transaction is actually additional business or not.

Even when they are only concluded as each case arises, the ordinary barter transactions can constitute a menace to the normal trade of German businessmen in China. If, however, it is the intention, as in the Klein affair and, as it would seem, in the case of Otto Wolff, to carry out such barter transactions on a very large scale, then, in my opinion, the existence of the German firms in China would be undermined.

Herr Otto Wolff has arranged for a memorandum, with which you are probably familiar and in which he sets forth his plans, to be handed to the Chinese Legation in Berlin. He quotes as an example German trade with Russia, and thinks that the same volume ought to be achieved in China. A programme is to be drawn up for a number of years for German deliveries, not only for State concerns but also for private undertakings in China. Interest and amortization of the German credits will be met by payment in kind, namely deliveries of Chinese raw materials.

This programme departs from the well-tried principles to which we have previously adhered in China. The situation in China as regards domestic and foreign politics involves so many risks that we would wish to grant Reich guarantees only for certain sound transactions, thus deliberately limiting our risks. China's constitutional structure cannot be compared with that of Russia. We realize that it would be wrong to follow Japanese policy and not to grant the Chinese any new credits at all as long as they have not paid off their old debts, e.g., the railway debts, but we have always taken into account the fact that such debts might not be paid.

Furthermore, China's reconstruction can in no way be compared with that of Russia as regards either pace or scope. The Chinese

Government would naturally find the discussion of credits amounting to hundreds of millions of Marks very attractive, but the question is whether that is the right procedure. The Chinese banks and also Li Ming would gladly cooperate with us in certain fields, e.g., in that of communications (railways etc.). Li Ming disapproves, however, of a too hasty industrialization of China, and apart from this the Chinese bankers do not want to force the pace. They wish to see whether the first trial transactions which they have concluded with the State will in fact be carried out satisfactorily. We should encourage them in this desire.

In Russia our policy of Reich guarantees against losses at one time ruined all normal business not covered by such guarantees. All this business went to America. The same thing would happen in China if we put the plans of Herr Klein and Herr Otto Wolff into practice. I cannot share the view, which was recently expressed to me by an interested party, that the German firms in China are doomed anyway, but that attempts could nevertheless always be made to fit them in with these plans somehow. We ought to avoid the risk of helping to destroy our best instrument in the Far East by our own policy.

I think it will be very useful if Herr Otto Wolff forms his own picture of the situation in China at first-hand. Perhaps it will convince him that large-scale plans on the model of trade with the Russians are not advisable here. If the above views are shared by you in Berlin, I think it would be wise for official quarters not to leave the advocates of such projects in any doubt as to how far the German Government would be prepared to go in guarantees against loss on immense transactions of this kind in China. We should thus avoid getting into a situation which might be awkward for us if all these prominent businessmen were already to have negotiated with the Chinese authorities.

TRAUTMANN

No. 405

7825/E567422-24

The Ambassador in Italy to the Foreign Ministry

Telegram

URGENT

No. 1 of January 2

ROME, January 2, 1935—9:30 p.m.

Received January 2—11:00 p.m.

II Fr. 21.

Just now Suvich requested me to call on him in order to give me, on the instructions of Mussolini, the following information regarding the forthcoming visit of Laval:¹

¹ Laval issued an announcement on Jan. 2, 1935, stating that he would leave for a visit to Rome at the invitation of the Italian Government on the following day. He

Laval's definite decision about concluding the Franco-Italian negotiations was only made at the last minute and in fact came as a surprise. Agreement between France and Italy has been achieved in principle on the following lines:

Italy and France, in agreement with Austria, will advise all Austria's neighbour States except Switzerland, as well as the Successor States, i.e., Rumania and Poland, to conclude an agreement under which these States mutually agree not to interfere in the domestic affairs of the signatories, and not to permit any agitation at home liable to threaten violence to the integrity of any of the other countries. In this way a step will also be taken in the general campaign against *émigré* terrorists. This formula takes suitable account of Austrian prestige, in so far as no mention is made of a guarantee of Austria's independence, but only of mutual obligations amongst all the signatories. Since, moreover, Austria particularly desires not to negotiate with individual Successor States about guaranteeing her independence, and also in order to provide for the interim period until the pact is concluded, a pact for mutual consultation is envisaged between France and Italy in agreement with Austria, according to which these two Powers, in the case of a threat to the independence of Austria, will enter into consultation; the other States mentioned would be invited to join this pact for mutual consultation. Throughout the negotiations France had done nothing without consulting the three Little Entente States, whilst Italy had merely kept Hungary informed in general terms without consulting her. As France definitely wished Rumania's inclusion, it was decided, at Italy's desire as a mediator enjoying good relations with Germany and Hungary, to bring in Poland in her capacity of Successor State. Mussolini is fully aware of the special position of Germany as a Great Power and will consider with Laval ways and means of avoiding any appearance of presenting Germany with a *fait accompli*, and of giving her representatives a timely opportunity of making her views known through diplomatic channels. In any case, Mussolini does not regard the agreement with France as something apart, but as a first step towards greater cooperation generally. In any event he attaches great importance to the participation of Germany. The value of the pacts lies not so much in definite security

visited Rome Jan. 4-8 and on Jan. 7 signed with Mussolini the so-called Rome Agreements, which comprised a General Declaration, a *Procès-Verbal* concerning Austria, a Protocol concerning disarmament, a Treaty between France and Italy concerning settlement of their interests in Africa, a special Protocol concerning Tunisian questions, and exchanges of letters regarding Abyssinia and the Jibuti-Addis Ababa Railway (M92/M003179-92). An official communiqué was issued in Rome on Jan. 7 and subsequently both Governments issued official summaries of the agreements (the communiqué and extracts from the official summaries are printed in *Documents on International Affairs 1935* (London, 1937), vol. II, p. 18 and pp. 22-24). For the French text of the General Declaration and the *Procès-Verbal* concerning Austria, see *B.F.S.P.*, vol. 139, pp. 946-948. See also document No. 417.

against threats to Austria's independence, since a visible *détente* both in this respect and in German-Austrian relations has taken place, but it lies rather, from the psychological point of view, in a general easing of tension in Central Europe.

With regard to the other special Franco-Italian questions, agreement has been reached on prolonging the Tunis Statute for ten years, but negotiations are in progress on the method of withdrawing the existing Italian régime, gradually and by slow stages, as desired by Italy. Italy is acquiring extensive but fairly valueless territory on the Libyan frontier. Negotiations on French concessions to Italy in Somaliland are still in progress.

In reply to my question as to whether the disarmament problem would be raised during Laval's visit, Suvich replied that this problem would not actually be dealt with, but there would be a formula stating that a common policy would be pursued. As Suvich added that this would not be saying anything new, I remarked that it seemed to me that it would be new, since a common policy had been lacking so far, whereupon Suvich replied that one would have to be found.²

HASSELL

² The substance of the document here printed was circulated in an abbreviated form by telegram to the principal Missions in Europe on Jan. 4 (7825/E567425-27).

No. 406

8069/E579296-99

The Ambassador in Italy to the Foreign Ministry

ROME, January 2, 1935.

Received January 3.

II Lu. 16.

I enclose a report by the Air Attaché, Fliegerkapitän von Waldau, on his reception by the Head of the Italian Government.

Reports to the Reich Air Minister and the Reich Air Ministry will be submitted direct by special courier.

HASSELL

[Enclosure]

ROME, January 1, 1935.

Subject: Audience with Mussolini.

(To the [Air] Minister, the Foreign Ministry, the State Secretary,¹ Z.A. [Zentralabteilung],² copy for the files.)

¹ i.e., the State Secretary of the Reich Air Ministry, Erhard Milch.

² The Central Department of the Reich Air Ministry; see document No. 154, footnote 1.

I was able personally, and on the date of their arrival, to deliver to the Head of the Italian Government and to His Excellency Valle³ the letters from the Reich Minister⁴ and the State Secretary for Air⁵ which reached me by courier on December 31, 1934.

I called on His Excellency Valle at 12 noon in the Air Ministry. My reception was, as always, very friendly. Valle observed that during the past year the good understanding which existed in the relations between the German and Italian air forces had continued unchanged. He expressed the hope that it might soon once more be placed on a broader basis. He himself asked for an audience for me with the Head of the Government. This was, after a short interval, granted me for the same day, at 7 p.m.

The Head of the Government received me at the appointed time, and came towards me in obvious excitement and with the words: "What news from Göring?". He immediately read the letter and briefly informed me of its contents.

The Minister's words of appreciation at the success of the Italian training⁶ obviously gratified Mussolini. He took as a starting-point for the conversation the Minister's hope that "it would be possible to maintain good relations in the future too".

He said that he was fully and definitely in favour of close cooperation. This depended, however, on policy [*Politik*]. Policy was the sole determining influence on the armed forces. Only when the armed forces usurped the initiative from politics would policy become a mere catchword. [*Wenn erst die Wehrmacht der Politik das Gesetz des Handelns aufzwänge, werde die Politik zur Phrase.*] At the moment only one political question divided us. When that question no longer divided us he would certainly be prepared for the closest possible cooperation, not only within the sphere of the armed forces but in all fields.

He had the impression that this "question" had receded into the

³ Gen. Guiseppe Valle, Under Secretary of State in the Italian Air Ministry.

⁴ See document No. 425, enclosure 1.

⁵ No copy of Milch's letter to Valle has been found.

⁶ On Jan. 19, 1934, Hoffmann von Waldau reported (8069/E579287-88) the arrival of German Air Force personnel—"the Hoffmann Group"—in Milan on Jan. 15. These men were accommodated at Lonate and received their training at Malpensa. The Germans requested that special emphasis be given to bombing practice [*Wurfbungen*] during the course, which was to last until Mar. 30, 1934. Reference is made in this report to previous groups which had been trained in Italy. In report G.5 of Feb. 8, 1934 (M36/M001038) Hassell stated that there had hitherto been four courses, with a total of 110 participants, and that the Italian Air Ministry was keeping the whole programme of training completely secret, even *vis-à-vis* other Italian Ministries.

In telegram No. 61 of Mar. 5, 1934 (M35/M000988) the Embassy in Italy reported that the course then in progress would probably end on Mar. 18. The Embassy further reported in telegram No. 88 of Apr. 20, 1934 (M35/M000993) that the Italian Air Ministry had requested the immediate recall of pupils of the Hoffmann Group, in telegram No. 132 of June 21, 1934 (8069/E579293) they reported that the Italians were prepared to resume "the Hoffmann training" on its previous scale, and suggested July 10 as the date of commencement.

background as the conditions in Germany became more stable; this was perhaps also a result of Germany's having had her first disappointment with Poland. In conclusion he said that his general reaction to the letter was one of particular pleasure and that he would personally reply to Minister Göring.

I replied that policy concerned me in my official capacity only in so far as it affected the sphere of my military duties. An essential part of these duties, however, was the promotion of good relations between the officers of both countries. In his letter my Minister had particularly emphasized the importance of this comradely relationship. In my eighteen months' service as officer responsible for the training in Italy of some 160 officers I had frequently pointed out to our officers in charge of courses that we were not so much concerned that the training should result in immediate military success, but rather that relations between the officers of both countries should become closer. On this, I could assure him that while I was back in Germany I had repeatedly spoken to officers who had been seconded, and who remembered their time in Italy with pleasure and gratitude. This had particularly been the case with those who had been able to complete their training according to plan at a time when political developments might have led one to expect that the courses would be brought prematurely to a close. It was precisely this fact that had taught me and convinced me that cooperation between the armed forces ought not to be determined by politics only. I believed, rather that continuous cooperation would, independently of changing political events, definitely be in the interests of both sides. I did not ask for any definite promise, but purposely confined myself to defining our point of view in principle.

Mussolini replied that this "moral success" of the courses gave him particular pleasure. In addition he expressed, in general terms, the hope that more contacts might now once again be made.

The conversation, which lasted twenty minutes, was throughout most amicable and kindly in tone. A question, or even a hint of one, about the German air armaments, such as might have been expected after the recent conversation between the Ambassador and Mussolini,⁷ was not forthcoming.

The above report is being separately submitted to the Reich Minister for Air.⁸

HOFFMANN VON WALDAU

⁷ See document No. 385.

⁸ A minute by Köpke (8069/E579300) reads: "II Luft: I thought the letters were not to be despatched. Did we know their contents? Köpke, Jan. 4."

No. 407

7825/E567429-30

The Foreign Minister to the Embassy in Italy

Telegram

URGENT

BERLIN, January 3, 1935—3:05 p.m.

PRIORITY

zu II Fr. 21¹ Ang. II.

No. 4

With reference to your telegram No. 1.¹

I am entirely in agreement with your adopting a purely receptive attitude.

For your information and guidance regarding language to be held should you again be approached:

An immediate statement of the German views on the Italo-French agreements is out of the question. In the first place we cannot express an opinion, without thoroughly examining them first, on agreements about which negotiations between Rome and Paris have been in progress for weeks without our participation; secondly the Chancellor and I are leaving Berlin again this evening for about a week.

In these circumstances you could point out, if necessary, that we are faced with a *fait accompli*, and then merely continue that, in consequence, we are only now able to start considering how far our interests are involved and whether the Italo-French proposals would really be either practicable or acceptable to us. You should emphasize that the foregoing are only your own personal views arising naturally from the circumstances.

Judging by the press, the information so far supplied by Suvich gives no clear picture either about whether the arrangements in fact contain nothing regarding guaranteeing or revision of frontiers, and whether the agreements concern Austria only or are also designed to clarify Italo-Yugoslav relations, or about what is to be understood as intervention in domestic affairs.

NEURATH

¹ Document No. 405.

No. 408

3242/711943-45

Memorandum by the State Secretary

BERLIN, January 4, 1935.

The French Ambassador called on me today in order to supply information, on the instructions of his Government, regarding the

Rome conversations; he had been instructed to give this information to the Reich Foreign Minister. The Ambassador began with a general statement on Laval's intentions, with which he was personally well acquainted. Laval was certainly not planning anything against Germany, but intended, as far as was possible, to bring about a German-French *détente* and overcome the various obstacles. As his second point the Ambassador stated very emphatically that the French on their side had tried to inform us as soon as possible about the position; this, however, had been difficult as plans and projects changed daily. As proof of his good intentions he reminded me that he had called on Ministerialdirektor Köpke on New Year's Eve,¹ and that already yesterday morning he had announced his visit for today by telephone. He also referred, in accordance with his instructions, to the conversation held with Counsellor of Embassy Forster on December 29 at the French Ministry for Foreign Affairs, when certain information had already been given to us.²

On leaving the annexed memorandum, which he particularly requested should be treated as confidential, the Ambassador said that nothing final had been decided, but the stage reached in the discussions with Italy emerged from the memorandum. For the settlement of the difficulties in Central Europe a general agreement was envisaged in which the signatories, a small circle consisting of Austria's neighbours and a wider circle, which could be enlarged as desired, should undertake to respect each other's integrity and independence, undertakings which were in fact self-understood. The formula had already allowed for Austrian sensitiveness, and neither the text nor the French attitude on this question was directed against Germany. His instructions stated that its tenor accorded with the statements made by Laval on German-French relations (the Ambassador presumably meant those made in the Senate).³ It was merely a question of a *procès-verbal*, the terms and wording of which could be discussed, and not of a completed project. Laval intended us to take part in the discussions on this project on completely equal terms. The instructions ended with a pressing request for us to join the agreement.

By way of explanation the Ambassador pointed out that we should not take offence at the wording; for example—and he was not saying this in accordance with instructions he had received—there was a reference to the League of Nations. This did not mean that membership

¹ This conversation, which dealt with the proposed pact guaranteeing Austrian independence, is recorded in a memorandum by Köpke of Dec. 31, 1934 (2406/510904-13).

² Forster reported on his conversation with Bargeton by telegram No. 1606 of Dec. 29, 1934 (7825/E567418-19).

³ Presumably the reference is to Laval's speech in the Senate of Dec. 18, 1934. See *Journal Officiel de la République Française, Débats Parlementaires, Sénat*, 1934, pp. 1396-1398.

of the League was a condition for joining the agreements, but merely that the agreements should be made in the spirit of the League of Nations and concluded according to the methods in use there, and that the instruments of ratification should be deposited in the usual way in Geneva.

I thanked the Ambassador for his information and told him that it was, of course, not possible for me to give him a statement of our views, nor could one be given him before the return of the Chancellor and the Foreign Minister. I could, however, promise him that the proposals would be carefully studied, and could further say that some of the ideas contained in the project were not unacceptable to us. For example we did not at all object to combating acts of terrorism such as had occurred at Marseilles.⁴ Some of the ideas would probably have to be clarified and defined. What was to be understood by a form of independence which, like that of Austria, was compromised by every international loan?⁵ What was to be understood by intervention in domestic affairs? Everyone was taking it for granted that the Heimewehr was being subsidized by Italy and that Starhemberg was getting pocket money from Rome, while on the other hand everything that appeared in print in the German language could be interpreted as an attempt to interfere in Austrian affairs. I also touched on the underlying trend of the Eastern Pact and pointed out the differences in the construction of the two pacts.

The Ambassador appreciated that I could not inform him of the Reich Government's views, but he asked me to send for him as soon as possible and let him know what the Reich Government's views were. He said that we should undoubtedly do well to join in the discussions and, if possible, also to join the agreement, since after all discussions of this sort and agreements without real substance had now become the political fashion of our time. They were also the only way in which a concrete and real German-French *rapprochement* could be achieved, and which could remove the extreme tension in Europe. In practice, it was by this method of exchanging views through diplomatic channels that the aims of the Four-Power Pact of 1932 [*sic*: 1933]⁶ would be realized, namely, by an exchange of views between the leading Great Powers on the shaping of affairs in Europe, whilst avoiding the mistakes of the Four-Power Pact, which had openly claimed that affairs should be dealt with in this way, thus arousing the opposition of all the Powers excluded from the discussions.⁷

BÜLOW

⁴ See Editors' Note, p. 468.

⁵ See document No. 453, footnotes 3 and 4.

⁶ See vol. I of this Series, document No. 292.

⁷ Marginal note: "Submitted to the R[eich] C[hancellor]. v. N[eurath], Jan. 12."

[Enclosure]⁸*Project*

CONFIDENTIAL

The Head of the Italian Government and the Minister for Foreign Affairs of the French Republic have made a thorough examination of the situation existing in Central Europe and especially in Austria. They have recognized the need to foster a feeling of confidence there particularly through the reaffirmation of the engagement⁹ under which every State rests to respect the independence and territorial integrity of other States. Firmly attached for their part to the observance of this principle,¹⁰ they have agreed to recommend to the States most interested the conclusion of a convention, within the framework of the League of Nations, which shall include particularly a mutual undertaking not to interfere in each other's domestic affairs, as well as a mutual undertaking not to foster any agitation, propaganda, or attempt at intervention, having as its object an attempt by force on the territorial integrity of any of the Contracting Parties or the transformation by force of their political or social régimes. The right would be reserved to the Contracting Parties to conclude separate agreements with a view to ensuring, with the cooperation of the Council¹¹ of the League of Nations, the strict¹² application of this principle.¹⁰

This convention, concluded in the first place between Germany, Austria, Italy, Hungary, Czechoslovakia and Yugoslavia, will be open to the adherence of France, Poland and Rumania, without prejudice to the adherence of such other Powers as the Contracting Parties may¹³ see fit to promote.

It goes without saying that the study, the negotiation and the conclusion of this general convention between all the interested parties will take time. Desirous of conforming to these principles from henceforth, and in view of cases which engross all minds more particularly, the Head of the Italian Government and the Minister for Foreign Affairs of the French Republic propose to confirm their agreement on

⁸ The text of the enclosure was repeated to Rome by telegram No. 7 of Jan. 4 (7825/E567457-58). The original is in French. Differences between it and the version, also in French, furnished by the Italian Ambassador on Jan. 4 (see document No. 409) were noted in an unsigned, undated Foreign Ministry memorandum (7825/E567448). These differences and those with the final text furnished by both Ambassadors on Jan. 16 (see document No. 439) are shown in footnotes below.

⁹ The Italian Ambassador's version here reads: "obligation", as does the final text.

¹⁰ The Italian Ambassador's version here reads: "these principles", but the final text reads "this principle".

¹¹ The Italian Ambassador's version of Jan. 4 here omits the words "of the Council" but they appear in the version he furnished on Jan. 11 (see document No. 439, footnote 1) and in the final text.

¹² The final text lacks the word "strict".

¹³ The Italian Ambassador's version and the final text here read "shall".

the proceedings, likewise defined in the *procès-verbal*, in the following terms:¹⁴

"Pending the conclusion of such a convention and of special arrangements¹⁵ which would ensure its application, and in view of the necessity of maintaining the independence and integrity of Austria,¹⁶ the representatives of the two Governments have agreed that from today, and in the event of this independence and integrity being endangered, they may consult together as to what measures should be taken. This consultation will be open to such Powers as may declare themselves disposed to participate in the convention envisaged above, and to undertake special engagements with a view to ensuring its application."

¹⁴ The Italian Ambassador's version lacks this paragraph as does the final text.

¹⁵ The Italian Ambassador's version and the final text here read "the special arrangements".

¹⁶ From this point the Italian Ambassador's version and the final text read: "They have agreed from today and in the event of this independence and integrity being endangered, that France and Italy will consult together and with Austria as to what measures should be taken. This consultation will be extended by France and Italy, in order to ensure their cooperation, to such Powers as may declare themselves disposed to participate in the convention envisaged above and to undertake special engagements with a view to ensuring its application."

No. 409

3242/712003-04

Memorandum by the State Secretary

BERLIN, January 4, 1935.

The Italian Ambassador called on me this afternoon and, on the instructions of his Government, gave me a copy of the Italo-French *procès-verbal* agreed in Rome.¹ This was not to be published, but would be communicated in confidence to the Governments concerned only. He also gave me the annexed communiqué for the press² which was to be published in Rome in the next few days and which would be the only official report of the Rome resolutions.

I thanked the Ambassador for his information, but did not mention that we had already received the same document from the French,³ and told him that it was not possible for me to express an opinion. The Chancellor and the Foreign Minister would, however, return to Berlin next week; I must withhold all comment, and in any case a careful examination would be necessary. I noticed, for example, that

¹ Not printed (7825/E567449-50). The text is in French and corresponds with the text furnished by the French Ambassador that same day, for which see document No. 408, enclosure, except for certain differences there noted.

² Not reprinted (7825/E567445). The terms are identical with those of the communiqué published on Jan. 7 except that the opening sentence is lacking (see document No. 405, footnote 1).

³ See document No. 408.

reference was made to an agreement within the framework of the League of Nations, whilst, as was known, we no longer regarded ourselves as a member of the League of Nations.

The Ambassador at once explained that this clause was certainly only inserted in the draft, because it was usual, and it did not mean that membership of the League of Nations was a condition for participation in the agreement. In a lengthy explanation he pointed out that his Government regarded this agreement as a first step on the road to a general understanding, similar to the Eastern Pact which I had mentioned and that the aim must be a general disarmament convention, or, if we preferred it, an armaments convention. For Mussolini, a further objective was closer cooperation between the Great Powers on the lines of his Four-Power Pact,⁴ an idea which he had never given up. The Ambassador further pointed out that the agreement was designed to straighten out Yugoslav-Hungarian relations, and the clause regarding acts of violence had been included for this reason.

In connexion with this I told the Ambassador that the Hungarian Minister had already called on me⁵ and had been greatly concerned regarding the recognition of the *status quo*, which presumably would be included in the project. But in this respect the revisionist question was not of the same importance to us as to Hungary.

The Ambassador took this remark in bad part and said that Hungary had had the sense to demand only a peaceful revision based on Article 19 of the League of Nations Covenant,⁶ and Italy had recently, on the occasion of the Gömbös visit to Rome,⁷ given Hungary a binding promise, which she meant to keep, not to spoil Hungary's chances of revision, but rather to continue to further Hungarian claims. As to the possibility of the Hungarian endeavours succeeding, however, the Ambassador spoke very sceptically.

It was agreed between us that in due time our attitude on the project would be communicated to him. I told him that though I very well understood the wider context which he had indicated, we must, however, first consider the draft before us on its specific contents.

BÜLOW

⁴ For the Four Power Pact of Understanding and Cooperation, initialled in Rome on June 7, 1933, see vol. I of this Series, document No. 292.

⁵ See document No. 410.

⁶ Article 19 reads: "The Assembly may from time to time advise the reconsideration by Members of the League of treaties which have become inapplicable, and the consideration of international conditions whose continuance might endanger the peace of the world."

⁷ See document No. 310.

No. 410

7825/E567440-41

Memorandum by the State Secretary

BERLIN, January 4, 1935.

II Fr. 40.

The Hungarian Minister called on me today, on instructions from his Government, to enquire about our views on their yesterday's communication about the Rome agreements.¹ He was instructed to point out that his Government had the gravest doubts about the proposed agreements and that they drew attention to the fact that the agreements were obviously directed against Germany. He further stated, on the instructions of his Government, that the agreements would not be necessary at all if we would categorically declare that we would respect Austria's independence.²

I first thanked the Minister for the information he had sent us yesterday and told him at once that we could only give our views on the proceedings in Rome when we were in possession of the authentic text of the proposed agreements. In judging the problem, much would depend on the precise wording. The information received so far included much which was not unacceptable to us, but there were other things which, in certain circumstances, would make any German participation in the agreements impossible. Nothing definite could be said about this today. We were not in a position, either, to evaluate the Danubian Pact by itself, but must compare it with the Eastern Pact, and, in our future policy, must also remember that the decision in the Saar question was imminent and that there would probably also be discussion on disarmament in the near future. We had at least been informed from Rome that the disarmament problem was to be discussed there. With regard to the Hungarian idea for a German declaration on the independence of Austria, I did not know what more we could say beyond what we had already said. Finally, I also pointed out that for us, in assessing the problem, the question of who was to participate was still an uncertain factor of very considerable importance.

We agreed that I should ask the Hungarian Minister to call on me

¹ According to a memorandum by Renthe-Fink of Jan. 3 (7825/E567434-37), M. de Bobrik, Counsellor at the Hungarian Legation, had that evening furnished a memorandum which contained details, obtained by the Hungarian Government in Rome, about the terms of the proposed Franco-Italian agreements, and which the Hungarian Minister, on instructions, wished to discuss with the State Secretary on the following day.

² According to Renthe-Fink's memorandum cited in footnote 1 above, the Hungarian Counsellor had stated that it had been indicated to his Government in Rome that such a declaration from Germany would render the proposed agreements unnecessary.

at the beginning of next week, when we should be able to view the situation more clearly, in order to give him further information.³

BÜLOW

³ No record has been found of such a conversation between Bülow and the Hungarian Minister about the Danubian Pact earlier in date than a memorandum by Bülow of Jan. 18 (7825/E567689), in which he noted that Masirevich, after enquiring about the German attitude, had stated that the Hungarian Government would favourably consider the proposals, since they did not run counter to the main lines of Hungarian foreign policy.

No. 411

3242/712006-07

Memorandum by the State Secretary

BERLIN, January 5, 1935.

The Austrian Minister called on me today and informed me that he had reported to Vienna his conversation with Ministerialdirektor Köpke of January 3,¹ regarding the Rome negotiations, and had thereupon been officially notified by his Government that they had been assured that Italy as well as France desired Germany's participation in the pacts under discussion, and further that Germany would in no case be faced with a *fait accompli*, but that the solution would be discussed with Germany. The Minister tried to give me to understand that this favourable turn and the allowance made for the justifiable sensitiveness of Germany's feelings was due to intervention on the part of Vienna in Rome, but at once reduced this assertion, when I tried to obtain more details from him, to a personal conjecture on his part.

I thanked the Minister for his information and for his efforts in the matter and told him, for my part, that the information which Ministerialdirektor Köpke had given him on Thursday and his own statements of today had been confirmed by the facts. Yesterday, the French and Italian Ambassadors had supplied information regarding the proposed Rome resolutions and had handed over a draft,² which I was sorry I could not show him, but which his Government would certainly have received too. According to this, two agreements were planned, a pact of non-intervention designed to clear up the Austrian, the Hungarian-Yugoslav and the Italo-Yugoslav questions, which were at present being discussed, and a Franco-Italian consultative pact regarding Austria, which implied a sort of protectorate by these Powers over Austria.

The Minister at first quite failed to understand the disingenuousness of my last remark, and took far more umbrage at the fact that the

¹ A memorandum by Köpke of Jan. 3, 1935, on this conversation with Tauschitz is not printed (7825/E567438-39).

² See documents Nos. 408 and 409.

pact of non-intervention was not confined to Austria alone than he did at her being considered a protectorate of Italy and France. He thought that perhaps the problems might after all be dealt with in a number of pacts so that the Austrian question could be dealt with separately. When he gradually began to realize that the consultative agreement would be compromising for the Austrian Government, he emphasized that it would only remain valid up till the conclusion of the pact of non-intervention, whereupon I remarked that it would remain in force indefinitely if the pact did not come into being.

We parted with mutual assurances of goodwill and friendly hopes for the future. I expressly declined to state any opinion on the proposal for a pact of non-intervention.

BÜLOW

No. 412

7954/E574323-31

Circular of the Ministry of Economics

II 100/35

BERLIN, January 5, 1935.

Received January 10.

II SG.353.

- To (a) the Saar Plenipotentiary of the Reich Chancellor,
for the attention of Oberregierungsrat Dr. Wingen,
(b) the Foreign Ministry,
for the attention of Ministerialdirektor Dr. Ritter,
(c) the Foreign Ministry,
for the attention of Geheimrat Voigt,
(d) the Foreign Ministry,
for the attention of Ministerialrat Sabath,
(e) the Reich Finance Minister,
for the attention of Ministerialrat Dirigent Dr. Berger,
(f) the Reich Finance Minister,
for the attention of Ministerialrat Dr. Weymann,
(g) the Reich Finance Minister,
for the attention of Ministerialrat Dr. Litter,
(h) the Reich Office of Statistics,
for the attention of Director Dr. Grävell.

I venture to send you for your information the enclosed record of the discussion held at 12 noon on January 3 in the Reich Ministry of Economics on questions regarding iron and iron ore arising from the reintegration of the Saar, with the request that it be treated as strictly confidential.

By order:
RUELBURG

[Enclosure 1]

STRICTLY CONFIDENTIAL

RECORD OF THE DISCUSSION HELD AT 12 NOON ON JANUARY 3 IN THE
REICH MINISTRY OF ECONOMICS ON QUESTIONS REGARDING IRON
AND IRON ORE ARISING FROM THE REINTEGRATION OF THE SAAR
TERRITORY

For the names of those taking part see attached list of persons present.

Herr Ritter welcomed the participants. He said that German-French negotiations on the economic aspects of the reintegration of the Saar would probably begin as soon as possible after a decision had been taken by the League of Nations. From the political point of view it was most desirable that a common customs and economic system be instituted soon by both sides. It would hardly be possible to realize this wish, however, since both sides were interested in certain special arrangements. Nor would Germany be able to avoid agreeing to an interim system for certain categories of goods, although this would continue only for a short period (six, twelve or eighteen months), in order to give the Saar economy sufficient time to adjust itself to fresh conditions. In the case of the most important Saar products to be considered, that is iron and coal, the aim would indeed have to be not only a temporary solution but a permanent arrangement on the pattern of the International Crude Steel Cartel¹ and the already existing German-French agreements on iron. Herr Ritter asked for the views of the representatives of trade and industry present.

Herr Röchling emphasized that the position over *coal* was different from that over iron. In the case of coal, the settlement of the repurchase price of the Saar mines already opened the way to future developments. Moreover, France was a substantial coal importing country (approximately twenty million tons a year).

As far as *iron* was concerned, France had become an important *exporting* country; Lorraine, in particular, supplied iron to Germany. On the other hand, the Saar supplied a certain amount of iron to France. Exports from Lorraine to Germany consisted of bar iron, section iron and semi-manufactured products, whereas the Saar exports to France comprised, in addition to section iron and bar iron, also constructional materials, wire, all kinds of sheet iron, band iron and a large number of processed products. If at all possible, this state of affairs must be maintained, as otherwise the Saar works would depreciate while Lorraine would have to construct new works.

¹ Founded in 1926 between Germany, France, Belgium, Luxemburg and the Saar to regulate the output of steel for the export and domestic markets. See M. Lambert: *The Saar* (London, 1934), p. 159.

The French attitude was not yet clear. In trade circles (such as, for example, also in the *Usine*²) a varying attitude had been noticeable. These varying views were due to the investments of the French iron industry in the Saar iron industry. M. de Wendel³ had previously demanded that with the reintegration of the Saar the customs barrier should go up at once, as a result of which the Saar would no longer be able to export to France at all. Subsequently, M. de Wendel inclined to the view of M. Laurent⁴ who considered it possible to grant exemption from or a reduction of customs duties on Saar iron exports to France, provided Germany was also prepared to abolish or reduce customs duties on the Lorraine quota. Summing up, Herr Röchling requested that the present conditions as regards iron be maintained as far as possible.

Herr Poensgen shared Herr Röchling's views. He mentioned that M. Laurent, who was interested in Dillingen, took the same view since, if the Saar iron exports to France ceased, he would have to make fresh investments in France. By way of compensation for this, however, Lorraine, bordering on the Saar, would in M. Laurent's opinion still need to be able to supply the Saar with agricultural products for a considerable time. Furthermore, according to M. Laurent, the Saar iron quota for France was rather too high.

Herr Poensgen remarked on this that it might be possible to discuss a reduction of the Saar export quota, if Germany's international quota were somewhat increased. A customs system could be set up by inter-governmental treaty, provided this could be reconciled with the most-favoured nation clause. Should it not prove possible to conclude an inter-governmental agreement, an arrangement serving the same purpose would have to be sought through the [industrial] associations.

Herr Poensgen also drew attention to the fact that the groups de Wendel and Laurent together represented the majority of the French iron industry which had interests in the Saar, whereas the steel tube group, which was closely associated with Bous, was in the minority.

Herr Ritter pointed out that the present special agreement between Germany and France on the Saar had remained outside the most-favoured nation system. The German Government had been able to maintain this point of view despite the initial objections from most-favoured nations, by drawing attention to the exceptional state of affairs created by the Versailles Treaty, under which the Saar was German territory but in the French customs area. From the date of

² See *L'Usine*, Oct. 25, 1934, pp. 1-3; Dec. 6, 1934, pp. 1-3; Dec. 13, 1934, pp. 1-5.

³ François de Wendel, managing director of the companies Les Petits-fils de François de Wendel et Cie. and Société de Wendel et Cie.

⁴ Théodore Laurent, director general of La Compagnie des Forges et Aciéries de la Marine et d'Homécourt. According to report A 5525 by Köster of Dec. 13 (M29/M000932-44) such views were expressed by Laurent at the general meeting of his company.

reintegration onwards, however, Germany's legal position for rejecting foreign most-favoured nation claims would be less favourable. In spite of this he believed that, if special arrangements were agreed with France for an interim period, it would be possible for both countries, in view of their strong economic position, to reject foreign most-favoured nation claims. Even so, he considered that this would hardly be possible for a permanent arrangement such as was being sought in respect of the iron industry. For this reason, the Reich Government would welcome, in respect of the iron industry, the method through the [industrial] associations mentioned by Herr Poensgen.

Herr Poensgen emphasized again that from the point of view of Germany's iron industry it would be best if the present state of affairs could be maintained.

Herr Tgahrt pointed out that the French desire to allow a customs-exempt or customs-reduced quota of Saar iron for France in return for customs exemption or reduction in respect of the Lorraine iron quota for Germany was not equitable, since the customs duties on either side were not on the same level; in fact, the French duties were substantially higher than the German.

Herr Ritter still considered it most unlikely that it would be possible to settle the iron industry questions under discussion by inter-governmental customs agreements.

He then enquired about the quantities of iron involved and at the same time raised the question of Saar iron ore supplies from Lorraine.

Herr Röchling stated on the iron ore question that the sale of ore was, in fact, a necessity for the Lorraine ore mines as long as the market conditions for iron were bad. There was at present a decided need to export; the exports went to Luxemburg (relatively small), to the Saar (five million tons, which equalled 16-17 per cent of the Lorraine minette ore production), to Belgium (who, on account of her capital investments, was greatly interested in the ore mines) as well as to Westphalia. In his opinion, there need be no anxiety regarding ore supplies as things were at present.

Herr Wenzel did not foresee any great difficulty either. It need not be feared that the Saar would not be receiving regular supplies of ore from Lorraine, unless great political difficulties arose.

With regard to substituting ore from other supplier countries for the Lorraine minette, Herr Röchling intimated that a substitution was not at present possible. It might be at some time in the future, but it would still be doubtful whether, taking into account the question of net cost, such substitution would be practicable.

Asked by Herr Ritter whether the French would demand reciprocal supplies for permitting the ore deliveries to continue, Herr Röchling replied that, in his opinion, this would hardly be so.

Herr Tgahrt considered desirable a treaty guarantee to the effect

that there would be no discrimination against Germany in respect of ore purchases. Furthermore, it was particularly necessary to ensure that present freight conditions were maintained. The freightage for Lorraine ore amounted at present to about 21 francs per ton, on which a refund of about 12 francs was granted, leaving a net charge of about 9 francs. Moreover, transport was by special ore freight trains in accordance with regular timetables, the wagons for which were provided by the Saar foundries. All the aforementioned facilities were based on ordinary administrative regulations by the Alsace-Lorraine railways. It was necessary to embody and thus safeguard these regulations in a State treaty.

Herr Ritter repeated his question regarding the quantities involved, to which no reply had been made yet.

Herr Röchling replied that the ore purchases amounted to five to six million tons a year.

As far as the sale of iron was concerned, the Saar foundries had sold annually between 100,000-150,000 tons in the Saar Territory (part of which had, admittedly, gone to France as manufactured products); sales to France had, on the average, amounted to 450,000 tons a year. To say that the maximum was 500,000 tons was not accurate since this quantity did not include sales from Bous, St. Ingbert and Homburg. Moreover, it did not include certain special processed products (recognized branded products, products which over and above the usual carbon content contained a certain amount of alloys etc.).

In conclusion Herr Ritter stated that the wishes expressed in respect of Saar iron sales to France would, to a large extent, mean customs exemption on 450,000 tons of iron. He then asked what the consequences would be if a German-French understanding were not possible.

Herr Poensgen replied that in the absence of an agreement the International Crude Steel Cartel would have to be abrogated. International competition in the iron market would ensue in which Germany would indeed be able to export greater quantities but would undoubtedly be doing so at a loss. He asked whether in that case the German Government could give greater customs protection to the iron industry.

Herr Ritter stated that where no treaties existed Germany could increase the customs duties on iron, as these were only binding where France was concerned.

He would now like to know what the position of the Saar iron industry was in relation to the question of ore.

Herr Röchling stated that the position of Völklingen was good, since it had fairly large stocks (for seven to eight months), while the Neunkirchen stocks were somewhat less (sufficient for approximately five months).

Herr Poensgen said that he would shortly be meeting the French iron industrialists again and asked whether he should discuss further with them the questions arising from the reintegration of the Saar.

Herr Ritter asked him to consult the Frenchmen purely in a personal capacity and by no means to give the impression that these were official talks.

Herr Poensgen asked the representatives of the Saar iron industry whether M. Alois Meyer of Arbed⁵ (Chairman of the International Crude Steel Cartel) should be brought into the private discussions as an expert in his capacity of President [*sic*] of the Cartel.

Herr Ritter remarked that, according to the information he had, M. Meyer was pro-German and that consultation with him would not be of any disadvantage to us.

From the point of view of the Saar iron industry Herr Röchling saw no objection. Herr Tgahrt pointed out, however, that M. Meyer had interests in a Saar works (Burbach) and could therefore not act as an umpire or intermediary for the representatives of the French iron industry who had interests in the Saar.

Herr Tgahrt added that the French, for their part, would supply the Saar with semi-manufactured products and would probably demand customs exemption for the quantities concerned.

Herr Ritter welcomed this fact since, if France made such a demand, Germany would the sooner be able to put forward a demand for customs exemption or customs reduction for a quota of Saar iron exports to France. He emphasized in conjunction herewith that all special concessions made by France would naturally have to be paid for. France's counter claims would in all probability apply particularly to agricultural products. He asked how far the Saar was dependent upon adjacent France for food supplies.

Herr Röchling and Herr Tgahrt both said that in their view the German belt along the Saar frontier was for the moment not capable of meeting fully the Saar's food requirements.

Herr Weymann remarked that a solution for this might perhaps be found within the general scope of German-French commercial treaties. In this connexion he dealt particularly with the question of feeding stuffs.

Herr Röchling described the distress in French agriculture and this not only in the Lorraine frontier areas but also in agriculture in the interior of France which would certainly be most interested to sell, since it was under constantly growing pressure from North African production.

Herr Weymann pointed out that to a large degree French agriculture had itself to blame for its distress, since it had not adjusted itself

⁵ A.R.B.E.D. (Aciéries Réunies de Burbach-Eich-Dudelange), one of the two great Luxemburg steel combines.

sufficiently to the sales methods of its competitors. Only in this way, for example, could the sharp decline in agricultural exports to Germany and the substitution of Dutch, Italian and Spanish products for them be explained.

Herr Röchling stated that present sales of French foodstuffs to the Saar amounted to 400 million francs a year.

Herr Weymann mentioned that during the negotiations on reintegration in 1929 to 1930⁶ the French had valued the sales of all French agricultural products (including beverages) to the Saar at 750 million a year.

Herr Ritter asked what the value was of the total imports into the Saar from France.

Herr Weymann quoted, in accordance with information from the Saarbrücken Chamber of Commerce, a figure of approximately 1,200 million francs.

Herr Reichert remarked that in a new list in the *Usine* the total imports were valued at 1,650 million per year and added that M. Elbel, who, as Director of the Commercial Treaty Department in the French Ministry of Commerce, had previously dealt with economic questions on behalf of France during the negotiations on reintegration in 1929 to 1930, supported the most far-reaching continuation of the present contacts.

Herr Ritter stated that according to information from the French Government representatives the Saar at present occupied fifth place amongst the countries who bought from France, which would mean that, according to recent French statistics, the total value of imports was about 1,500 million francs. He asked Herr Grävell to obtain the necessary statistical data for the negotiations, especially in respect of iron and coal.

Herr Ritter asked the Saar gentlemen also to state their views on the coal question.

Herr Röchling stated that the French coal industry was short of bituminous coal and would be especially so if the supplies of bituminous coal from the Warndt coalfields planned to continue for five years were to cease. The Saar's share in bituminous coal production was ninety per cent, while the French supplied only ten per cent. Our efforts would have to be directed to increasing coke production in the Saar.

As far as the future situation over sales was concerned, the Saar mines would undoubtedly lose the French railways as a buyer, since the French would endeavour to place their own products there.

⁶ Such negotiations had taken place parallel with those over the early evacuation of the Rhineland; for statements by Tardieu and Briand on Nov. 7 and 8, 1929, see *Journal Officiel de la République Française, Débats Parlementaires, Chambre des Députés*, 1929, pp. 2999 and 3056-3057.

In the long run there would be a market in France for one million tons of coke and $1\frac{1}{4}$ to $1\frac{1}{2}$ million tons of coal for coke production, that is to say a total of 2 to $2\frac{1}{2}$ million tons of coal and coke. The buyers would be, in particular, the industrial areas in eastern France and the gasworks which had so far used Saar coal. Under favourable conditions it would perhaps be possible to sell $3\frac{1}{2}$ million tons; the maximum would be four million. The total French imports fluctuated between twenty and thirty million tons annually.

Herr Ritter asked whether it was necessary to guarantee coal sales by State treaty.

Herr Röchling was of the opinion that it was difficult to answer this question. It was particularly doubtful what attitude France would take to the question of coal supplies in view of the agreement on the repurchase of the mines. In his opinion, of the total purchase price of 900 million francs at the most 400 to 500 million francs might be raised by the exchange of francs, which meant that the balance amounting to 400 to 500 million francs would have to be met by coal supplies. These deliveries would probably have to be made through a governmental organization, that is to say, through the already existing widespread organization of the French Saar Mines Authority. Given that 500 million francs, equals approximately 80 million Reichsmark, this would mean a total supply of seven million tons for the five years and 1.4 million tons for one year. With regard to the remainder, efforts would have to be made to find a sale in the open market.

Herr Litter stated that the French had expressed the wish during the Basle negotiations to see that future sales to France went through as smoothly as possible and not to bring in any intermediaries. The French were thus aiming at direct business relations between the Saar mines and the French buyers, that is to say, with no intervention by a hitherto existing sales organization.

Herr Ritter interjected that the statements made by the French gentlemen could also be understood to mean that all sales to France were to go through the French organization. With regard to this, the French demands put forward during the negotiations would have to be awaited.

Herr Poensgen then pointed out that the position regarding the sale of Saar coal in France would improve if commercial difficulties were to arise between France and Britain, since coal was France's strongest weapon in her trade policy *vis-à-vis* Britain.

Herr Tgahrt remarked that the French position on the iron question would be weak during the impending negotiations as long as the French majority interests in the Saar iron works existed. He asked for instructions that Germany would not accede to any French suggestions for a repurchase of the French share.

Herr Ritter was, at least for the present, fully agreeable to this

course and requested that any such suggestions be rejected and attention drawn to the foreign exchange difficulties.

He asked the gentlemen present to hold themselves available as experts for the impending negotiations and closed the meeting at 1:45 p.m. with an expression of thanks to all who had attended.

RUELBERG

[Enclosure 2]

List of persons present

at the meeting held at 12 noon on January 3, 1935, on questions regarding iron and iron ore arising from the reintegration of the Saar Territory.

Name	Designation	Representing	Full address (not for representatives of authorities)
Ritter	Ministerialdirektor	Foreign Ministry	
Weymann	Ministerialrat	Reich Finance Ministry	
Ruelberg	Ministerialrat	Reich Ministry of Economics	
Eichhorn	Ministerialassessor	"	
Freiherr von Mahs	Ministerialrat	"	
Dr. Wingen	Oberregierungsrat	[Saar] Plenipotentiary	
Dr. Kiegel	Oberregierungsrat	Reich Ministry of Economics	
Otto	Berg. Ass.		
	[Mining Engineer]	"	
Dr. Arlt	Ministerialrat	"	
Freiherr von Gemmingen		Röchling Iron and Steel Works, Völklingen	
Berger		"	
Tgahrt		Neunkirchen Iron Works	
W. Röchling		Völklingen a.S.	
H. Wenzel		Dortmund	
E. Poensgen		Düsseldorf	
Becher		Reich Ministry of Labour	
Dr. Reichert		Economic group of the iron producing industry	Berlin, W.35
Kralik			
Litter	Ministerialrat	Reich Finance Ministry	
Lücke	Syndic	of the Saarbrücken Chamber of Commerce	
Tessmar	Bergrat		
	[Mining Engineer]		
Dr. Grävell	Direktor	Reich Office of Statistics	
Sabath	Senior Counsellor	Foreign Ministry	

No. 413

7825/E567462-64

The Ambassador in Italy to the Foreign Ministry

Telegram

URGENT

ROME January 6, 1935—6:05 a.m.

SECRET

Received January 6—8:35 a.m.

No. 3 of January 6

II It. 20.

At the reception this evening at the Palazzo Venezia, after separate talks with Mussolini, Laval and Suvich, I had a long conversation with

the three of them together, concerning which the following is worth mention:

It could be recognized generally that vigorous efforts were being made to convince us that the agreements were not only unobjectionable for us but, in bringing Germany back into the European gambit again, would form a suitable start for the creation at long last of a state of general pacification. The Franco-Italian agreement was primarily intended to open the way to cooperation. The elimination of the Austrian problem at a time when the Saâr question was being solved was the right moment for Germany to give practical proof of her willingness to adopt a constructive policy together with the other Powers. Laval particularly stated that to join the Italo-French agreements would provide the best opportunity of proceeding from the stage of proclaiming a desire for peace and for understanding with France, to deeds. Turning to Mussolini, he said that Franco-German understanding was the corner stone of any policy of peace. After the settlement of the Saar question and the conclusion of the Rome agreements, the disarmament question could be tackled. In this question Germany could no longer play hide-and-seek; on the other hand equality of rights could not be denied her in principle: this opportunity should not be allowed simply to slip by, and a settlement must be found. Regarding the Italo-French agreements, I emphasized, first of all, that so far we had been left out of the negotiations and consequently would not be in a position to accept everything without examination, and I asked how it was generally intended to proceed further; it had been especially explained to me that the particular position of Germany would be taken into account. Concerning this last point I was referred to the *démarches* made by the Italian and French Ambassadors in Berlin,¹ which, I was told, Cerruti had reported to have been favourably received by the State Secretary. Mussolini and Laval explained that the invitation was contained in the text, and, moreover, that a Note would follow. In reply to a question on my part, Suvich explained the procedure by saying that the non-intervention pact was the main thing in so far as it must be agreed to first, since such agreement was a prerequisite for accession to the consultative pact. Speaking of the disarmament question, I referred to the historical background and to our readiness, a year ago, to conclude a convention approximately on the basis of the British² and Italian memoranda;³ it was not our fault that that possibility was not realized. When Laval asked, "Whose fault was it then, France's perhaps?" Mussolini declared that France was in fact to blame; one should now

¹ See documents Nos. 408 and 409.

² For the British Memorandum of Jan. 29, 1934, see British White Paper, Cmd. 4512 of 1934, No. 4.

³ See *ibid.*, No. 3.

rid oneself of illusions and accept the facts, particularly German rearmament, as they stood. His view was that Germany should be granted true equality of rights, while she in return should re-enter the League of Nations. The latter course would be in Germany's own interest; moreover the United States of America were considering joining. Laval said that by our extensive air armaments we had made the matter much more difficult and had, in particular, antagonized England. I denied this and pointed out that unlike the others we were having to start our whole range of armaments from scratch, and that we had not nearly reached the others' level. Laval asked how large our army really was, speaking honestly for once; whereupon Mussolini said: 210,000 men; I added that in principle we had kept within the limits of the proposal we made some time ago,⁴ which unfortunately had not led to an agreement, that was to say we were preparing an army of 300,000 men; the sole exception was strategic bombers, in view of the fact that the others had not abolished theirs. Laval replied that if we rearmed at the speed with which we were doing so today, and at the same time rejected all proposals for a pact to secure peace, then our protestations about desiring peace were purely ironical. I reminded him of the heavy armaments of all the other States, denied that we rejected all pacts, and emphasized that the whole question of peace depended on reciprocity; it was no longer a matter of our good will, but of that of all participants. In the Saar question especially we had shown the greatest goodwill (and here I acknowledged the changed atmosphere in Paris under Laval and in consequence of the efforts of the Italians). Laval said that he desired nothing more ardently than a speedy and complete settlement of the Saar question; but if we won, we ought not to ruin everything by brutality against those who had voted the other way. I referred to the guarantee which we had given,⁵ while Mussolini, turning to Laval, warned against making any further difficulties or objections after the plebiscite, which would certainly go in favour of Germany. I underlined this, and emphasized that the responsibility for a free plebiscite now rested with the international contingents. Finally Laval and Mussolini repeated their appeal to us to recognize the importance of the hour and to grasp the extended hand.⁶

HASSELL

⁴ The reference is presumably to the German Government's statement of views of April 16, 1934, on the British Memorandum of April 6, see British White Paper, Cmd. 4559 of 1934, No. 6.

⁵ See document No. 357.

⁶ By express letter of Jan. 7, 1935, to Obersalzberg (2784/540359-60) Kotze informed Brückner, Hitler's adjutant, that the Foreign Minister wanted to discuss this telegram with Hitler as soon as possible. Neurath wished to point out that the conversation on which Hassell had reported was only a social after-dinner one; Hassell had in the meantime been instructed to avoid conversations on the subjects discussed. By telegram No. 9 of Jan. 7 (7467/H181497) Bülow informed Hassell that his attitude in the conversation with Laval and Mussolini was approved, but that he should maintain the greatest reserve on the rearmament question.

No. 414

7894/E573119-21

The State Secretary to the Embassy in Italy

Telegram

IMMEDIATE

BERLIN, January 7, 1935—9:45 p.m.

No. 8

e.o. II SG.209 I.¹

Drafting Officer: Counsellor Strohm.

For the Ambassador personally.

You should call on Aloisi before he leaves for Geneva and inform him of our views on the impending decision about the Saar plebiscite as follows:

We assume that there will be an overwhelming majority for reintegration in each of the 83 plebiscite divisions which will give no one an opportunity of making renewed efforts to secure a division of territory or a minority régime. The League of Nations will therefore be able to take a decision immediately about the final cession of the Territory to Germany. This decision will have to be coupled with appointing a calendar date for the transfer of the Territory to German administration. Under the Rome agreements² there is to be a minimum period of four weeks between the plebiscite and the transfer of the Territory. The favourable progress of the negotiations on the mines and currency questions as well as the state of German home preparations for taking over the administration warrant our demand that the four-week period should be fixed as the maximum period and the Territory returned to Germany at the latest on February 15. Any extension of this period would mean a prolongation of the temporary economic crisis at present prevailing in the Saar and a fresh trial of patience for the population. In order to reach a final settlement of the mines and currency questions, as well as a settlement of other questions of lesser importance which are being dealt with by the Finance Committee, we are prepared to conduct the negotiations under the auspices of the Committee of Three immediately after the plebiscite. We shall suggest to the French Government that, in accordance with the recommendation of the last Council resolution,³ they should at the

¹ This was repeated to Berne as telegram No. 3 of even date (7894/E573122) with instructions that López Oliván, a member of the Committee of Three, should be informed. Copies were also sent under cover of despatch No. II SG.209 Ang. II of Jan. 8 (7894/E573123-25) to London, Paris, The Hague and Stockholm. London and Paris were asked to inform the Australian and Mexican representatives on the League Council respectively. In his telegram No. 16 of Jan. 9 (7894/E573136-37) in reply, Hoesch reported that Simon had taken the view that four weeks should be regarded as a maximum rather than a minimum interval.

² See document No. 372.

³ Contained in Part II of the Report of the Committee of Three to the League Council, dated Dec. 5, 1934; see document No. 372, footnote 2.

same time enter into bilateral negotiations with us about German-French trade relations in view of the incorporation of the Saar in the German customs area. For personnel reasons and on practical grounds it will probably be impossible to avoid holding both groups of negotiations at the same place, regarding the choice of which, with the exception of Geneva, we shall gladly fall in with the wishes of the other parties to the negotiations.

Since there is German legislation and German administrative machinery in the Saar, the transfer of the administration there presents no practical difficulties whatsoever. We shall send a Commissar for Reintegration with a staff of senior officials who will take over the existing administration. The existing legislation in the Territory will also be taken over and gradually adapted to the German legislation in accordance with practical demands. Only the Governing Commission and the Supreme International Court of Justice need be withdrawn at once. In order to lay down in detail the subjects for negotiation in the form of an agenda and to bring about agreement on the venue for the negotiations and the composition of the delegations as well as to furnish the Committee of Three with detailed information regarding our intentions, we consider a preparatory discussion between Aloisi and Berger at Geneva or elsewhere to be expedient, if possible before the eleventh. We have no objection to Aloisi also inviting Rueff⁴ to this discussion. You should report by telegram on the outcome of the discussion.⁵

BÜLOW

⁴ A member of the French delegation at the Rome negotiations.

⁵ In telegram No. 5 of Jan. 8 (7894/E573132) Hassell reported that in Biancheri's view the minimum time limit of four weeks referred only to special questions and was not generally applicable.

No. 415

7954/E574309-10

Foreign Minister Neurath¹ to Minister of the Interior Frick

BERLIN, January 7, 1935.

Sent January 8.

e.o. II SG.108.

DEAR HERR FRICK: I am told that [a plan]² it is under consideration to keep the Saar Territory as a separate administrative entity within its present boundaries after reintegration. [Although I do not know how the detailed execution of this plan is envisaged, it seems to come to this: constitutionally, the Saar is permanently to be made a kind of analogue to the former Reichsland of Alsace-Lorraine.]² The domestic

¹ See footnote 3 below.

² The words in square brackets were deleted from the draft by Bülow before despatch.

reasons for or against such a plan are outside my judgement. Nevertheless, there is also an international angle to the matter which seems so important to me that, in my opinion, it should not be disregarded. If the Saar Territory were to be retained as an independent entity within the future framework of the Reich, it would mean that, by an act of State, we would perpetuate the structure which was artificially created at Versailles. We would thus admit that the Territory formed a natural entity to which a certain measure of national life must be guaranteed within the borders of the Reich. The objections which, particularly in the case of this borderland, hold good against such plans are so clearly manifest that I need not explain them any further. Viewed internationally, we have every interest in letting the Versailles structure vanish from history without any trace.

This should not, of course, prevent us from taking the necessary measures to carry through the internal reintegration and from still treating the Saar as an entity for an interim period for this purpose.

I should be most grateful if you would kindly keep me informed on how the future constitutional treatment of the Saar is envisaged.

Yours etc.,

[FREIHERR VON NEURATH]³

³ A copy of this letter was sent to Lammers under a covering note signed by Bülow; although the draft of both the letter and the covering note to Lammers were prepared for signature by Neurath, his initial is not on the latter and the document here printed may also have been signed by Bülow on his behalf.

No. 416

7790/E561644-45

*Memorandum by an Officer of the Naval Command*¹

B. No. M I 44 geh.

BERLIN, January 7, 1935.

SK 4/35 geh.

Subject: The British Naval Attaché.

From a conversation between the British Naval Attaché² on January 1, 1935, and:

(A) *M and M I*

(a) The substance of the conversation which the Chief of the Naval Command had with the Naval Attaché on November 27, 1934,³ had been reported by the latter to the head of his department, Admiral Dickens,⁴ and to the First Sea Lord.⁵ The Admiralty had not given its views, nor, on account of the shortness of his stay in London, had this

¹ Copies were distributed to departments A III, M IV and SK of the Naval Command.

² Capt. G. C. Muirhead-Gould, R.N.

³ See document No. 360.

⁴ Rear Admiral G. C. Dickens, Director of Naval Intelligence.

⁵ Admiral of the Fleet Sir A. E. M. Chatfield.

been possible. In any case the matter was regarded—by the Ambassador in Berlin too—as very interesting and important.

The Attaché was told in reply that Germany had not expected an immediate reply, but was only concerned that the British Admiralty should be fully aware of the German views on the naval armaments question.

(b) The Naval Attaché's own view was that Britain would try to have the Naval Conference out of the way by May/June 1935, i.e., before the King's Jubilee. The German observations of November 27, 1934, would form a valuable foundation for these negotiations.

Meanwhile, the French were making difficulties about the early date. It was therefore possible that the Naval Conference would only take place after the celebrations in London.

(B) *M I*

(a) Britain was in agreement with both the Japanese and the American naval proposals; these two countries, however, had not been able to come to an agreement.

(b) Britain had not given up hopes of an agreement.

(c) The Naval Attaché does not doubt that Germany will be included in the Naval Conference at a later stage.⁶

M.J.A.

M I.

BÜRKNER

⁶ Marginal note in the handwriting of Lieutenant (Navy) Stange: "Which does not preclude negotiations from being entered into *beforehand*."

No. 417

7825/E567473-75

The Ambassador in Italy to the Foreign Ministry

Telegram

No. 4 of January 8

ROME, January 8, 1935—9:35 p.m.

Received January 9—1:50 a.m.

II It. 54.

Suvich has today given me the following information about the results of the Franco-Italian conversations in Rome:

1. A sort of general Franco-Italian consultative pact had been agreed upon, the purport of which was roughly that the two Governments were prepared to consult one another on questions of European policy as far as possible.

2. With reference to the disarmament question, a declaration had been agreed upon in which three principles were laid down: (a) That no State was justified in unilaterally altering or infringing treaties concluded by that State. Havas and *Osservatore Romano* reports to the

effect that Germany was particularly mentioned in this connexion, and her armaments described as illegal, were untrue. (b) That the principle of equal rights should once more be recognized. The Declaration of December 1932¹ would, Suvich thought, not be mentioned, but it was clear from the sense that it was meant. (c) That attempts must be made to arrive at an agreement. Nothing had yet been arranged regarding procedure on the last point; perhaps a British initiative might be expected.

3. As to the Austrian question, a protocol had been signed on a Franco-Italian consultative pact and subsequent accessions thereto, and also recommending a pact of non-intervention to the States bordering on Austria and to the Successor States. This protocol did not differ on any important points from the documents handed over in Berlin.² Further procedure had not been settled in detail, but he thought he could say that the first *démarche* would probably be made with Germany, in order to give her an opportunity of stating her views on the matter. As far as Yugoslavia was concerned, the DAZ [*Deutsche Allgemeine Zeitung*] report about a telegram sent by Mussolini to Laval before his departure, promising to make a gesture of peace towards Yugoslavia, was an invention. Mussolini had rejected such a gesture as a condition for Franco-Italian understanding, but he had declared himself ready to make such a gesture on his own initiative when he thought the time had come.

4. Agreement had been reached on the African question; the Tunis Statute was to be maintained for ten years, while a right of option for a further twenty years was to be introduced, after which time [French] legislation would again apply. Italian schools were to remain established as State schools for twenty years and must then become private schools. Further particular questions had been settled by appropriate agreements. The French territory ceded on the Libyan frontier also comprised the northern range of mountains in the Tibesti territory. Italy was also to receive a small piece of territory on the Eritrean border of French Somaliland, which was important because of the coastal zone opposite the Straits of Bab el Mandeb. Italy was also to be given a share in the French Jibuti-Buti [*sic?* Addis Ababa] railway. Finally, an arrangement had been made to supplement existing agreements between France and Italy in respect of economic activity in Abyssinia.³ This, naturally, related only to peaceful intentions there. The Abyssinian Chargé d'Affaires⁴ had given the King a letter from the Emperor

¹ For the Five Power Declaration of Dec. 11, 1932, see vol. I of this Series, Editors' Note, p. 18.

² See documents Nos. 408 and 409.

³ For the texts, in French, of the Franco-Italian Treaty concerning the settlement of their interests in Africa and the Protocol regarding Tunisian questions of Jan. 7, 1935, see *B.F.S.P.*, vol. 139, pp. 948-951.

⁴ N. Aferork Ghevre Yesus.

of Abyssinia, expressing the desire that the Wal Wal incident⁵ be settled. The King had emphatically told the Chargé d'Affaires that Italy's intentions were peaceful.⁶

HASSELL

⁵ See document No. 402, footnote 5.

⁶ The gist of this document was forwarded by telegram to the Missions concerned on Jan. 10 (7825/E567476-77).

No. 418

3242/711951

The Foreign Minister to the Führer and Chancellor

BERLIN, January 8, 1935.

DEAR REICH CHANCELLOR: I have the honour to submit to you some brief observations on the agreements reached in Rome between Mussolini and Laval regarding the Danube region, in so far as they are at present known to us. I also enclose a memorandum by State Secretary von Bülow on the French Ambassador's visit on January 4.¹ On the same day the Italian Ambassador also called at the Foreign Ministry² and handed over the draft of the agreements. There are certain textual differences between the drafts handed over here by the French and Italian Ambassadors. The final text of the agreements, as well as that of the other protocols, which it is proposed to sign in Rome, are not yet in our possession. I propose to bring the matter up again when these texts have been received and studied.

With the German greeting,

Yours etc.,

V. NEURATH

¹ Document No. 408.

² See document No. 409.

3242/711968-73

[Enclosure]

OBSERVATIONS ON THE AGREEMENTS REACHED IN ROME BETWEEN MUSSOLINI AND LAVAL REGARDING THE DANUBE REGION

I

According to written and oral information which has reached us so far, and which is to be supplemented by a formal note, the following dual project has emerged from the recent Franco-Italian negotiations about the Danube region:

(1) The two countries are to invite Austria's neighbour States (apart from Switzerland) to take part in negotiations on a pact which is to

have two parts, viz. first, an undertaking to refrain from any interference in the domestic affairs of any one of the other signatory States, and further, an undertaking to permit no agitation, propaganda or attempts at intervention aimed at transforming *by force* the territorial integrity of any one of the States signatories to the agreement, or to transform by force its political or social régime. This pact of non-intervention, which is apparently intended to have no time limit, is at first to be concluded between Germany, Austria, Italy, Hungary, Czechoslovakia and Yugoslavia, while it is to be open to France, Poland and Rumania to join later. With the approval of all the signatory States, certain other States will then be given the opportunity of acceding. But it is quite clear that there is no question of Britain's participating.

The collective pact between Austria's neighbour States and any States which may join later is to be supplemented by special separate agreements between the contracting States in order to "ensure, with the support of the League of Nations, the strict application of the principles of the Pact".

(2) Italy and France have, for their part, already agreed on a *consultative pact* with the object of maintaining the integrity and independence of Austria. They have agreed that, in the event of a threat to this independence and integrity, they will at once consult with one another, and with Austria, as to the measures to be taken. France and Italy desire to include in these consultations in each case those States which have declared themselves prepared to take part in the pact of non-intervention referred to in paragraph (1).

II

The practical content of the Franco-Italian dual project: The consultative pact expressly and exclusively concerns Austria, while the pact of non-intervention concerns relations between all the signatory Powers and, in consequence, affects relations between the separate States and Austria, and Italy's relations with Yugoslavia, as well as relations between Hungary and the Little Entente. This overall settlement for the whole of the Danube region has been made possible by the fact that the idea of a direct frontier guarantee, which was unacceptable to Italy in view of her relations with Yugoslavia and to Hungary in view of hers with the Little Entente, has been dropped, and the negotiators have limited themselves to the negative obligation of non-intervention.

It is not clear what intentions are behind the Italo-French proposal providing for separate agreements between the signatories of the pact of non-intervention. (Military assistance in the event of a breach of the pact?)

Although the pact is to be concluded "within the framework of the

League of Nations" and the possible supplementary separate agreements "with the cooperation of the League of Nations", this would not appear to indicate that membership of the League of Nations is a necessary condition for participation in the agreements. This is probably only the customary bow made to the Geneva institution.

III

Should Germany participate in the pact, she would, from a purely formal point of view, in fact only be pledging herself to do what is in any case right according to general concepts of international law. Each real or alleged violation of the pact could, however, be made the subject of a general diplomatic *démarche*. This would be the easier as the conception of non-intervention is very vague and can hardly be defined precisely in an agreement. Since the signatory Powers would, in the present political circumstances, probably be liable to agree in interpreting the pact against Germany, the danger exists that, for instance, the relations between the NSDAP and the Movement in Austria, the treatment of the Austrian refugees in Germany, the Austrian Legion, the Austrian Relief Agency, the former Austrian Kampfing etc., would be seized on as convenient and made the subjects of *démarches*.

IV

As far as the political scope of the proposed pact is concerned Germany's relations with Austria are its real political core. This can be seen from the earlier history and the accompanying circumstances of the meeting in Rome, as well as from its concrete results. In the consultative pact, France and Italy are to some extent laying claim to a guardianship over Austria.

In addition, it must be borne in mind that France and Italy have obviously also agreed, over and above the Danubian problem, on a common line in the forthcoming discussions on other big questions and that Britain is supporting the Italo-French proceedings.

V

As regards our attitude to the Italo-French proposal, three possibilities may be considered:

(1) Germany could refuse the invitation to take part in negotiations on the pact of non-intervention. This refusal could and should be accompanied by a statement that naturally we also acknowledge, for our part, the principle of non-intervention in the domestic affairs of other States, but that we consider that, insofar as it is at all necessary to deal with such questions by means of treaties, the method of bilateral agreements is preferable.

(2) Germany could declare herself prepared in principle to take part in negotiations, whilst expressly reserving her position on all individual questions.

(3) Germany could declare herself prepared in principle to take part in negotiations, but with this first declaration she could state the separate demands which she will wish to raise in the negotiations regarding the terms of the pact. In this connexion there would come under consideration, for example: Rejection of any cooperation by the League of Nations; rejection of separate agreements not approved by all the signatory Powers; strict limitation to non-intervention, that is to say the exclusion of any kind of frontier guarantee or recognition of the *status quo*; the consultative pact to be based on full parity of rights; if necessary a fixed term for the pact to be proposed; and, finally, refusal to negotiate in a big international conference.

If Germany were to refuse to participate in the negotiations, this would in any case be represented by the other side as showing that Germany does not intend to make up her mind to leave Austria alone. This would doubtless cause a serious deterioration in the international situation, and Germany's assurances of her desire for peace would be dismissed as worthless, particularly by France. A further consequence would be an increase in the pressure on Germany, particularly in the armaments question.

In the event of our being prepared in principle to take part in negotiations, we should be in a position to procrastinate and to prevent the pact from being concluded by making demands which would be unacceptable to our opponents. Moreover, participation in the negotiations on a pact of non-intervention would make it easier for Germany sharply to stress her views on the Eastern Pact question and on the armaments question.

NEURATH

No. 419

2945/575966

Memorandum by the State Secretary

BERLIN, January 8, 1935.

The Polish Ambassador called on me today, on his Government's instructions, in order once again to lodge a serious protest concerning the arrears in the rail traffic payments.¹ After outlining the position, he particularly stressed the difficulties with which the Minister of Railways had been confronted, since, the German payments had already

¹ This refers to the German payments to Poland for transit traffic through the Polish Corridor under the terms of the German-Polish-Danzig Convention concerning the Freedom of Transit between East Prussia and the rest of Germany, signed in Paris on Apr. 21, 1921. For the text see League of Nations: *Treaty Series*, vol. XII, pp. 62-175.

been included in the Polish budget, which was being disrupted by the deficits. Moreover, the Polish Railway's administration was not in a position to satisfy its private creditors, so that it was being threatened with all manner of legal proceedings. This was particularly awkward for Minister Beck, who asked us to intervene specially with Reich Minister Schacht, as there was constantly a danger that the matter might be dealt with by the Polish Council of Ministers, where it would naturally be considered as a failure of German-Polish understanding and be treated as a grievance, quite apart from further consequences. The Minister of Railways² was already talking of collecting the amounts due as the trains crossed the border, which must of course be avoided, just as the Poles had so far avoided appealing to the arbitration tribunals which had been provided for, or taking similar measures. It seemed to the Ambassador that the proposal for daily payments made to him by Ministerialdirektor Meyer was a particularly practical one. The Ambassador calculates the arrears of payments at 60 million Zloty, from which I deducted four million which had been paid a few days ago. The Ambassador appeared not to be aware of this payment. He was very insistent and emphasized above all that Beck's position abroad was being compromised by the development of the problem of paying for the railways.

BÜLOW

² Michał Butkiewicz, Minister of Communications.

No. 420

3058/609908

Memorandum by the Foreign Minister

BERLIN, January 9, 1935.

Reich Minister Frick rang up the Foreign Minister¹ on the morning of January 9 in order to reply straight away to our communication II SG.108² of January 7 regarding the future administration of the Saar.

He said he fully shared the view of the Foreign Ministry that it was not expedient to accept the administrative unit of the Saar set up by the Treaty of Versailles into the future German administration. On the other hand, he had his doubts about breaking up the Saar again, as had been done in the past, into a Prussian and Bavarian administration, a division which would immediately be rendered illusory by the new division of the Reich into *Gaue* which was in preparation. He re-

¹ This phrasing is evidently due to the fact that this document was drafted by Kotze, whose signature has been crossed out on the carbon copy (3058/609909).

² Document No. 415.

marked in confidence that the completion of the division into *Gaue* was at present being pursued with all possible energy and that presumably the Palatinate and the Saar would be united into one *Gau*. In these circumstances a transitional position for a limited period was, however, inevitable.

V. N[EURATH]

No. 421

7467/H101526-27

The Ambassador in Great Britain to the Foreign Ministry

Telegram

No. 17 of Jan. 9

LONDON, January 10, 1935—2:10 a.m.

Received January 10—5:55 a.m.

II Abr. 45.

With reference to my telegram No. 14.¹

In this evening's conversation with Sir [John] Simon, I requested him too, in terms similar to those in which I spoke to Sargent in the morning,¹ not to allow things at the coming meeting in Geneva to get as far as a definite plan for the treatment and solution of the armaments problem, to the prejudice of possible general agreement later.

Simon said that it was not the fault of the British Government that Germany had not been invited to join in drawing up the Eastern Pact and the Rome Agreements,² for they were well aware of the desirability of having Germany participate actively in all questions. Accordingly he was not thinking of any settlement of the armaments question directed against Germany; but, in view of the familiar fact that earlier attempts had encountered French opposition, it was necessary to induce the French to adopt a positive attitude towards the armaments problem. The time to try to influence Laval towards concessions was now, while he was still basking in the glory of his Roman successes. That did not, of course, mean that a plan for solving the question should be agreed and presented to Germany for signature. On the contrary, the thing to do was to try to make it easier to reach solutions which must then be worked out in cooperation with Germany. But in France one must strike while the iron was hot. The spirit of Barthou no longer reigned in the Flandin-Laval Cabinet³ and use must be made of this opportunity. The British Government would strive to make 1935 the year in which all problems were resolved.

¹ Of Jan. 9, in which Hoesch recorded a conversation with O. G. Sargent, an Assistant Under-Secretary of State in the Foreign Office (7467/H181522-23).

² See documents No. 405, with footnote 1 thereto, Nos. 417 and 418.

³ See document No. 340, footnote 2.

Simon then also confirmed that on his way through Paris at Christmas he had invited Flandin and Laval to come to London,⁴ but no date had yet been fixed for the visit. He added that a visit by the French Ministers was thought of as a return for the British visits to Paris. Unfortunately Berlin did not lie on the route to Geneva, so that exchanges of visits between the German and British ministers did not come about as naturally as they did between London and Paris.

HOESCH

⁴ This invitation was extended by Sir John Simon in Paris on Dec. 22, 1934. See *The Times* of Dec. 24.

No. 422

5740/H031841-43

*State Secretary Bülow to State Secretary Meissner*¹

Drafting Officer: Counsellor of
Legation Rüter

BERLIN, January 10, 1935.
e.o. III E 63.

DEAR HERR MEISSNER: I should be very grateful for your assistance in the following matter.

As is explained in detail in the attached memorandum of the 7th of this month,² Lord Allen of Hurtwood³ is arriving in Berlin towards the end of next week.⁴ He is coming, as the representative of a group of well known English personalities which is in process of formation and which has as its aim understanding with Germany, in order to acquaint himself with the situation in Germany. We are making efforts to put him in touch with a number of influential people in Berlin. Lord Allen has also, however, expressed the wish to be received by the Führer and Chancellor and I am very anxious that this request should be met.

Precisely because Lord Allen is a prominent representative of British Labour circles, I regard this as a chance to influence the attitude of these circles, which has so far been openly hostile and with which we shall certainly have to reckon if, as is to be expected after the approaching British General Election at the end of this or the beginning of next year, the Labour Party acquires a considerably stronger influence on the shaping of British policy than it has at present. An additional

¹ State Secretary and Head of the Presidential Chancellery.

² Not printed (5740/H031844-46); this memorandum bears the following marginal note: "The R[eich] C[hancellor] will receive Lord Allen if he is introduced by me. v. N[eurath], Jan. 12."

³ Reginald Clifford Allen, 1st Baron Allen of Hurtwood, had been Treasurer and Chairman of the Independent Labour Party 1922-1926, and Director of the *Daily Herald* 1925-1930.

⁴ In a letter dated Dec. 10, 1934 (5740/H031829-31) Dieckhoff informed Bismarck that a suggestion made by Dr. Berber of the Institute for International Law in Berlin for a visit by Lord Allen was being followed up, and requested a memorandum on Lord Allen's background and influence. In Bismarck's absence, Marschall replied on Dec. 14 (5740/H031833) drawing attention to the despatches cited in footnote 5 below.

factor is the significance of Lord Allen himself as a personal friend of MacDonald's and a representative of the above-mentioned group interested in promoting Anglo-German understanding; his whole attitude, as is shown by the views he has hitherto expressed on current problems,⁵ clearly indicates that we are dealing with a man of integrity and impartiality.

I should therefore be grateful if you would convey to the Führer and Chancellor my request that he receive Lord Allen and if you would get in touch with me about fixing the date of the audience when the Führer's decision has been made.⁶

Yours etc.,

Heil Hitler!

BÜLOW

⁵ A letter by Lord Allen on German equality of rights had appeared in *The Times* of Dec. 5, and a speech on the Saar plebiscite which he made at Gainsborough on Dec. 9 had been reported in *The Times* of Dec. 10; the cuttings were sent to the Foreign Ministry under cover of London despatches A 4302 of Dec. 5 (7467/H181487-88/2) and A 4443 of Dec. 11 (7467/H181489/1-2) respectively.

⁶ Marginal notes: (i) in Bülow's handwriting: "[To the] Foreign Minister for approval." (ii) "Done. v. N[eurath], Jan. 10." (iii) "I must point out that the Chancellor will be away until Jan. 20. v. N[eurath], Jan. 10." The audience was eventually arranged for Jan. 25; see document No. 463.

No. 423

7325/E567508-09

The Ambassador in Italy to the Foreign Ministry

Telegram

No. 10 of January 11

ROME, January 11, 1935—9:10 p.m.

Received January 12—12:15 a.m.

II It. 73.

When I saw Mussolini yesterday evening, he asked me whether I had already received news from Germany. I told him that I had not, and said I thought this was hardly to be expected, since, as far as I knew, the German Government had not been asked to state their views; moreover, the whole problem would have to be carefully examined first. Mussolini admitted this. When I asked about further procedure, he repeated that efforts were being made to give Germany, as one of the Great Powers primarily interested, precedence over other Powers such as Czechoslovakia etc., and accord her special treatment. He then emphasized again that he was convinced of Laval's determination to come to an understanding not only with Rome but also with Berlin. We would do well to improve the shining hour, since the attitude of the other French politicians, such as Herriot, for example, was as usual negative, while with Laval in power matters could be brought to a successful conclusion. He stated emphatically that no Franco-Italian political combination had been formed. When I mentioned the consultative pact, he said that, as was common knowledge, consultations

took place in any case; the determining factor was that no Franco-Italian treaty of friendship had been concluded, but only particular questions settled. He thought that by joining the pact of non-intervention Germany would greatly improve her position and make European cooperation possible, and that, in addition, she might in this way circumvent the Eastern Pact. Also as regards the disarmament question, Germany would then be able to enforce her claim to equal rights. Britain too was now willing to allow Germany an army of 300,000 men and was also prepared for a reasonable understanding on air armaments. He believed that a British initiative might be expected very soon. The logical sequence of events would be: a disarmament convention on the basis of equality of rights for Germany, followed by the return of Germany to the League of Nations, which would then not only be acceptable to Germany, but even profitable. Among Mussolini's comments about the individual results of the Rome negotiations it is noteworthy that he tried to console himself for the abolition of the Italian Statute¹ with the remark that in the course of thirty years a lot could happen which might alter the situation. When I asked him about Hungary he emphasized that Italy was adhering absolutely to her revisionist policy; he believed that Hungary would join, which would leave him free to make an explicit declaration about maintaining peaceful revisionist claims. The French efforts to include the Little Entente as one single Power bloc had been frustrated by the fact of Czechoslovakia and Yugoslavia, on the one hand, and Rumania on the other hand, being invited to participate at two different stages. In regard to Yugoslavia he had been presented with all kinds of conditions which he had refused. He retained the right to make a fresh gesture of peace towards that country if he wished. The loss of King Alexander's considerable authority had rendered the situation much more difficult.

The whole conversation again showed a tendency to emphasize the wish to include Germany.

HASELL

¹ i.e., in Tunisia; see document No. 417, footnote 3.

No. 424

6115/E454993-94

The Foreign Minister to the Chief of Staff of the SA

BERLIN, January 11, 1935.

zu II Oe. 99.¹

DEAR HERR LUTZE: Enclosed please find a copy of a memorandum¹ on a conversation which Ministerialdirektor Köpke had with the

¹ Not printed (6115/E454985-87). In this memorandum, dated Jan. 10, Köpke recorded that the Austrian Minister had called, on instructions from his Government,

Austrian Minister here yesterday. Even though, as has already been indicated to the Austrian Minister, the reports received by the Austrian Government and the fears they entertain are in fact baseless, the anxiety with which the question of the Austrian Legion is still viewed in Vienna is nevertheless evident from the tone of their representations, the latest of a whole series of similar *démarches*.² This wholly undesirable and quite profitless anxiety on the part of the Austrian Government will continue until the transfer of the Legion has at last been carried out to their full satisfaction."

As regards its future whereabouts I should like to add at once that I have meanwhile been informed by the Reichswehr Minister³ that in his opinion, too, any activity on the part of the Austrian Legion within the demilitarized zone capable of being construed as military training would not be acceptable.⁴ As far as I know, the Legion will shortly be engaged in helping to reclaim the North West German heathlands, and will therefore, I assume, be stationed in Oldenburg and East Friesland. A possible transfer to the Aachen district would not seem to me to be desirable since, in view of the close proximity of the Saar Territory, it would only lead to fresh troubles in the field of foreign policy.

I should be grateful for early information regarding the final measures you propose to take.

Yours etc.,

FRHR. V. NEURATH

to say that news had been received of preparations by the Austrian Legion for a new *Putsch* timed for Jan. 13 or shortly after.

² See also document No. 347 and footnotes 2, 3 and 4 thereto. In a memorandum of Dec. 7, II Oe. 3349 (8662/E606418-21), Köpke recorded a further *démarche* by the Austrian Chargé d'Affaires, Seemann, concerning the Austrian Legion and the Kampf-ring. In a letter of Dec. 15 (6115/E454954-57), Köpke informed Seemann that the disbanding of the Austrian Legion was in full swing. Some of its members were being discharged and the remainder were being transferred to labour camps in Central and North-West Germany.

³ In a communication of Jan. 5, 1935 (6115/E454984).

⁴ See also document No. 398.

No. 425

8069/E579301-04

The Reich Air Ministry to the Foreign Ministry

BERLIN, January 11, 1935.

Received January 14.

II Lu. 93.

In accordance with yesterday's telephone conversation¹ I enclose for your information a copy of the letter to the Italian Minister

¹ No record of this telephone conversation has been found. On Dec. 18 Neurath had requested the Reichswehr and Reich Air Ministries to reassure the Italian Military and

President, Signor Benito Mussolini,² as well as a translation of Valle's letter to the State Secretary.

By order:
ARNDT

[Enclosure 1]

Preliminary Draft

BERLIN, December 21, 1934.

YOUR EXCELLENCY: At the end of a year which, as regards foreign and domestic political events, has been of such great importance to the German Reich, I feel, in my capacity of Reich Minister for Air, the need to express to Your Excellency my heartfelt gratitude for the active support which you have at all times so willingly given me in my work of reconstructing the German air force.

I am aware that, in view of certain difficulties in foreign policy, it has not always been easy for Your Excellency to afford me the assistance which had been offered me. I therefore value the more highly this readiness to help on the part of Your Excellency.

I would emphasize that the training of German airmen carried out within the framework of the Italian flying corps³ was a valuable foundation for the flying personnel of German aviation. And it gives me special pleasure to be able to inform Your Excellency today that it is precisely those pilots who were trained in Italy who are giving a particularly good account of themselves here. On this occasion I would once again assure you that I have long had the greatest admiration for the Italian flying corps.

I would express the confident hope that the good and friendly relations, which, thanks to Your Excellency's ready assistance and

Air Attachés about alleged German intentions and concentrations of armaments in Bavaria (see document No. 381, footnote 11). A memorandum by Renthe-Fink, the Deputy Director of Department II, dated Dec. 21 (7477/H186952-53) records that the Reich Air Ministry informed the Foreign Ministry by telephone on Dec. 21 that it would suggest to Göring that he should send a personal letter to Mussolini "to clear the atmosphere". On Bülow's instructions the Reich Air Ministry was informed that a special step by Göring was not admissible and that whether he sent such a message must depend on whether Hitler and Neurath sent Mussolini greetings at the New Year.

A minute by Renthe-Fink of Dec. 29 (7477/H186954), stated that Hitler had decided that a greetings telegram should be sent to the King of Italy on New Year's Day; as it appeared unlikely that Neurath would send a greetings telegram to Mussolini, the Reich Air Ministry's proposal for a message from Göring to Mussolini was invalidated.

According to a minute by Schultz-Sponholz, of Department II, dated Jan. 16, 1935 (8069/E579305), the draft of Göring's letter had been read out over the telephone on Dec. 21, while that from Milch to Valle had not yet been drafted. The Reich Air Ministry stated that, as the decision as to whether Hitler and Neurath should send New Year greetings had been delayed until Dec. 29 owing to the Christmas holidays, the letters from Göring and Milch had been despatched before that day to ensure punctual delivery.

² For the transmission of this letter see document No. 406.

³ See document No. 406, footnote 6.

far-reaching understanding, have developed in recent years between the German and Italian air forces, will in the future be maintained and further strengthened to the benefit of both our countries.

I take the occasion of the coming of another year to convey to Your Excellency as Head of the Government my cordial good wishes for yourself and your Fatherland,
and I remain etc.,

GÖRING

[Enclosur  2]

Translation

ROME, January 3, 1935.

YOUR EXCELLENCY: The kind words which Your Excellency used in your mention of the Italian air force and towards myself on the occasion of the New Year⁴ have given me great pleasure.

I hasten to express to Your Excellency my warmest thanks, together with the heartfelt hope that the cordial and comradely relations which Your Excellency desires between the air forces of our two countries may be maintained and strengthened.

I would be most grateful to Your Excellency if you would convey to His Excellency the Minister my respects and personal good wishes.

I remain etc.,

VALLE

Under Secretary of State for Air

⁴ See document No. 406, footnote 5.

No. 426

9722/E683566

Memorandum by the Foreign Minister

BERLIN, January 12, 1935.

II Ung. 51.¹

The Reich Chancellor does not wish to write the letter.² He told me G[ömbös] had recently intimated through a high-ranking Hungarian

¹ The Journal of the Foreign Ministry indicates that the working copy of this document was transferred to [Cultural] Department VI A. As this department's files on the German community in Hungary are not held, most of the documents on this subject, including the one here printed, have been selected from the files of the Legation in Budapest.

² See document No. 400. A minute by Renthe-Fink, dated Jan. 14 (9722/E683565) and addressed to Mackensen, at that time in Berlin, reads: "H[err] Köpke is of the opinion that, especially in view of the forthcoming negotiations on the non-intervention pact, the time is not particularly appropriate for replying to Gömbös' letter on minorities. He suggests waiting, but is entirely agreeable to taking advantage of your being here to discuss the draft reply [not printed, 9572/E674709-12] together." For further documents on this question see vol. IV of this Series.

officer that he intended to come to Berlin for a discussion. He had replied that if G[ömbös] wished to come to Berlin, this would suit him, but the visit would have to be quite official and preparations would have to be made. G[ömbös] should use diplomatic channels for this. Nor did it seem to the Chancellor that a visit at the present moment would be of much use, but, in any case, the date would have to be carefully considered. All this should be arranged with the Foreign Ministry.

NEURATH

No. 427

7792/E564999-5000

*Memorandum by an Officer of the Naval Command*¹

B. No. M I 77 geh.

BERLIN, January 12, 1935.

SK 10/35 geh.

On January 10 the Head of the Foreign Department² received the following instructions from the Reichswehr Minister³ (sent by Lt. Commander Kiderlen to M I for provisional information).

The probable resumption of the negotiations on the armaments question renders it necessary for emphasis to be placed once again on making propaganda for our point of view. Lately there has, in the nature of things, been little trace of planned propaganda in this sphere.

The way in which propaganda is made must be determined by the way in which the Foreign Ministry conduct the campaign for our demands. The Foreign Ministry, therefore, should be responsible for directing propaganda in such a way as to support our political aims.

As the military-political aspects will be decisive at the coming negotiations, it is necessary for the Reichswehr Ministry to support the Foreign Ministry in the sphere of propaganda as elsewhere,

- (a) by making known the Reichswehr Ministry's views and wishes;
- (b) by making use of the possibilities of publishing military-political articles in the German press through the Press Department of the Reichswehr Ministry.

The Reichswehr Minister set forth the following main points as a basis for the military-political outlook on the position:

1. Our demand for equality of rights and for security for Germany is to be put forward more emphatically.
2. Prominence is to be given to the change in the situation as a whole since the close of the disarmament negotiations at Geneva. This change is due to:

¹ Copies were distributed to departments A III, M IV, and SK of the Naval Command.

² Lt. Commander Kiderlen.

³ Col. Gen. von Blomberg.

(a) The Franco-Russian association. Here the increase in the Russian armed forces is to be emphasized.

(b) The agreements between France, Belgium and Britain arising from the concept of "Britain's frontier on the Rhine",⁴ and the strengthening of the British and French air forces.

(c) The Franco-Italian entente.

(d) The efforts to encircle Germany which, in spite of all attempts at concealment, are becoming increasingly obvious.

In order to achieve uniform propaganda on the armaments question, the Foreign Ministry, after it has been informed of the considerations set forth above, is to be requested to inform the Reichswehr Ministry as to the way in which it proposes to make propaganda, so that support for this propaganda from the Reichswehr Ministry can be ensured.

M.J.A.

M I.

BÜRKNER

⁴ See document No. 138, footnote 5.

No. 428

7954/E574340-41

The State Secretary to the Embassy in France

Telegram

IMMEDIATE

BERLIN, January 14, 1935—10:00 p.m.

No. 27

zu II SG.473.¹

Drafting Officer: Senior Counsellor Voigt

According to information from an Italian source in Geneva² Massigli has said that, before the reintegration of the Saar, the question of its demilitarization, amongst other things, would still have to be settled. He is said to have forecast a memorandum to the Committee of Three. The British are said already to have declared themselves agreeable to this.

We must in fact reckon with the possibility that, if only on grounds of principle, the French will endeavour to have it laid down in resolutions by the League of Nations Council that after reintegration the Saar shall be subject to Germany's obligations arising out of Article 42 ff.³ of the Versailles Treaty. The very fact that the question of

¹ This was Geneva telegram No. 2 of Jan. 12 (7954/E574338-39), in which Krauel reported a conversation with Biancheri who gave him *inter alia* the information reproduced in the document here printed. See also document No. 430.

² See footnote 1 above.

³ i.e., Articles 42-44, which provided for the demilitarization of the left bank of the Rhine.

the future composition of the police in the Saar has come up suggests that such action by the French Government is likely, and indeed especially because, in the earlier negotiations with the Ambassadors' Conference⁴ on the admission of police to the demilitarized zone, the maximum figure was determined without taking the Saar into account.

It is obvious how awkward it would be if the question of applying the demilitarization provisions to the Saar were in some form or other to be raised for discussion in Geneva. Should this subject be raised for discussion your end you should avoid it wherever possible and in no way prejudice our attitude.

Identical texts to London, Rome, Berne and excerpts to Geneva.⁵

BÜLOW

⁴ Negotiations to settle certain questions relating to Part V of the Treaty of Versailles had been conducted in Paris in January 1930, and had resulted in the German Government undertaking to notify the interested Governments should exceptional circumstances necessitate the despatch of police reinforcements to the demilitarized zone in excess of 200 men over the maximum police strength prescribed by treaty.

⁵ Not printed (7954/E574342-43).

No. 429

2945/575969-70

Memorandum by the State Secretary

BERLIN, January 14, 1935.

The Polish Ambassador called on me today and first of all expressed his regret that it had not been possible for M. Beck, in consequence of his ill health, to make a stay in Berlin on his way to Geneva. He had not left the train, and in spite of taking this precaution, had suffered a relapse in Geneva. He was again confined to bed.

He—the Ambassador—had, however, been able to speak to his Foreign Minister on his way through Berlin, and the latter had given him the following information for the Reich Foreign Minister. M. Beck, referring to the conversation which he had recently with Herr von Moltke,¹ had explained to Ambassador Lipski that the Rome Pact in respect of the Danube region contained far more positive elements than the North-Eastern Pact, and that it also avoided several mistakes made in the latter project. One of its main advantages was that it linked up a politically divided territory and thus prevented the Little Entente from opposing Hungary or acting as an independent group. This levelling effect of the Rome Pact made Poland's participation appear worthy of consideration. The Polish Government would, however, act in accordance with the Hungarian views, not only for the sake of good relations with Hungary but because Hungary's views on

¹ Moltke had reported this conversation in telegram No. 3 of Jan. 9 (7825/E567491-92).

the project were decisive for its evaluation by other countries. The Ambassador did not say that Poland would be guided by our point of view, but hinted that it would also influence Poland's attitude. According to Beck, Poland had as yet not made any decisions nor would she do so in the near future.

On the Eastern Pact, Foreign Minister Beck had told the Ambassador that he expected to be sounded again in Geneva about the old project; it was obvious that in this matter the Russians were exerting pressure while the French were not showing the same enthusiasm as previously. The Ambassador once again recapitulated the reply which Foreign Minister Beck gave (it seems orally) the French Ambassador in Warsaw to the latest French Memorandum about the Eastern Pact, and in which M. Beck refused to declare his agreement in principle to the Eastern Pact on the grounds that one could not agree in principle to an incomplete text. The Ambassador tried to suggest that this attitude showed special loyalty to Germany because in the opposite case, i.e., of a reply approving in principle, Poland would simply have thrown the burden of rejecting the project on Germany. On Foreign Minister Beck's instructions, he gave an assurance that Poland's attitude to the Eastern Pact had not changed and would not change.

I thanked the Polish Ambassador for his information and promised to inform the Reich Minister immediately on his return. I also told him that we had received no further information on the Rome resolutions and that, for our part, we would make no decisions before the Saar question, which was claiming much of our attention, was settled in principle. Even then we would willingly delay our decision until we had received the new French statement on the Eastern Pact,² which we had been told we might expect, so that in judging the Rome Pact, we could at the same time consider the Laval version of the Eastern Pact, although there was no great hope that on this question Laval would differ essentially from Barthou.

BÜLOW

² See document No. 440.

No. 430

7954/E574348-51

Ministerialrat Berger to the Foreign Ministry

BERLIN, January 14, 1935.

II SG.531.

For the attention of Senior Counsellor Voigt.

I send you enclosed a copy of a minute on my conversation with Baron Aloisi on January 12.

The *aide-mémoire* which I gave Aloisi has already been promptly transmitted to the Foreign Ministry.¹

It transpires from the conversation² held between Consul Krauel and Biancheri after my departure that Biancheri has tried to dissociate himself from the outcome of my conversation on the question of the date.

I have asked Herr Krauel by telephone from Basle to remind Biancheri at the earliest opportunity of this conversation with me and to give him to understand that his objections cannot be regarded as justifiable.

BERGER

¹ Not printed (7954/E574346-47).

² See document No. 428, footnote 1.

[Enclosure]

GENEVA, January 12, 1935.

MINUTE ON A CONVERSATION WITH BARON ALOISI

I informed Aloisi in broad outline of the preparatory talks which had been held since the Rome agreement and which had been in the nature of informal preparatory conversations. We had, moreover, made a *démarche* with the French Government regarding the general economic negotiations to be conducted at an early date.

I also wished to bring to Aloisi's notice in a preliminary conversation our views on the various questions regarding the reintegration of the Saar. I proceeded from the assumption that the mandate of the Committee of Three would be extended and the conference on the reintegration of the Saar would take place in consultation with the Committee of Three. I then described the tasks of the conference and stated that our view that the interim period should not be longer than four weeks had been given greater weight by the fact, apart from other reasons, that in agreement with the French we intended to enter into reintegration and economic negotiations immediately after the Council had taken a decision on the plebiscite and not, as stated in the Council's report, at any rate where the economic negotiations were concerned, after reintegration had actually been completed. It was therefore the Council's duty to decide at once at this meeting not only on the return of the Saar to Germany but also on the date when the régime would finally be taken over by Germany.

The conference would therefore have to meet without delay. With regard to the venue, we had still to come to an understanding with the French and in this connexion would, if at all possible, give consideration to Aloisi's wishes. I indicated that this was why the French had suggested a place in Italy.

Aloisi first explained that Mussolini before leaving had expressed the wish that the decision on the Saar be taken and reintegration carried out at the earliest moment. Simon had now said the same thing to him in Geneva. Furthermore, Mussolini had also said he agreed to the conference being held in Italy. He was prepared, therefore, to take part in the conference. Any place, Rome, Florence, Naples or the Riviera would suit him. He himself decidedly preferred Naples. The Committee of Three's mandate was to be extended by the League of Nations Council today (this has since been done). He himself was all for as rapid as possible a decision on the plebiscite and on the questions relevant to it. In reply to his question as to where we had agreed on a minimum period of four weeks, I referred him to the Council's report of December 5³ which he himself had proposed, whereupon Aloisi said that the importance of this passage should not be overrated; a shorter period, even, could be considered.

We then talked about the drafting of the resolution on the extension of the Committee of Three's mandate, and here Biancheri and Consul Krauel, who had had a conversation with Biancheri, were consulted. It transpired from this that Biancheri had doubts as to whether the Council could, immediately after publication of the plebiscite results, also determine the deadline for completing reintegration. It was possible that the French might submit a number of questions regarding the plebiscite which would have to be clarified first. In this respect he mentioned the possibility that some of the plebiscite districts would vote unfavourably and the French would make political capital out of this.

On this I firmly insisted that the decisions both on the political future of the Saar and on the date of the reintegration would have to be taken at once, that nothing else but the outcome of the plebiscite itself must be taken as a basis for both questions, and not, for example, any requests by the Governing Commission for that special desiderata to be taken into account. Aloisi and Biancheri agreed to this.

Aloisi then asked for a note in writing on the points which I had discussed with him for his own use, so as to enable him to get in touch with the French, who had not come to this meeting despite his invitation to them to do so.

I communicated this note,¹ which was deliberately kept brief, on the same day.

Aloisi asked me whether I was staying on in Geneva, to which I replied that I was not, since my stay would serve no purpose without the participation of the French; Biancheri sent me word in the afternoon that our conversations would for the moment be regarded as concluded.

BERGER

³ See document No. 372, footnote 2.

[EDITORS' NOTE: Voting in the Saar Plebiscite took place on Sunday January 13, 1935, the ballots being counted on January 14 and the results published on January 15. The final register listed 539,541 as eligible to vote; 528,705 votes were cast, with 905 invalid and 1292 blank papers. The result was: for union with Germany, 477,119; for the *status quo*, 46,613; for union with France, 2,124.

The results, reported by the Chairman of the Plebiscite Commission on January 15, were communicated to the Council and to members of the League under number C.44.M.19. 1935.VII of the same date.]

No. 431

7894/573142-43

Memorandum by an Official of Department II

BERLIN, January 15, 1935.
e.o. II SG.576.

Herr Kossmann¹ informed me this afternoon by telephone that he had just been to see President Knox who had asked him to inform the Foreign Ministry as follows:

Since the plebiscite had produced an absolutely clear result, he, Knox, intended to use all his influence to get the Saar question settled now as quickly and smoothly as possible. In this respect he would do his utmost. He also hoped, however, now that a decision had been reached, that the hostile attitude which the Germans had hitherto shown towards the Governing Commission would be abandoned. The work of the Governing Commission would proceed better and more efficiently in a peaceful atmosphere. As far as the *émigrés* were concerned, he had already removed some and the removal of others would follow. Furthermore, he would like to point out that, in his opinion, it would be wiser for SA and SS uniforms not to appear for the time being.

In reply, Herr Kossmann told Mr. Knox that if these were his wishes then surely it would seem indicated for him first to take care that the *Volksstimme* and other hostile papers changed their attitude radically. Knox replied that this suggestion was absolutely justified. He had already given Matz [*sic*] Braun² and others a piece of his mind and would be grateful to Herr Kossmann if he, for his part, would also endeavour to bring pressure to bear upon these circles to the same end.

I replied that I had to confine myself to taking note of his, Mr. Knox's, wishes, which I would pass on.

Mr. Knox is going to Geneva tomorrow. Herr Kossmann will probably also leave for Geneva tomorrow.

VOIGT

¹ Bartholomäus Kossmann, the Saar member of the Governing Commission.

² Presumably Max Braun, a leading Social Democrat and editor of the *Volksstimme*.

No. 432

7954/E574354-56

Unsigned Memorandum

Drafting Officer:
Senior Counsellor Voigt.

BERLIN, January 15, 1935.
e.o. II SG.615.

Herr Krauel informed me this evening by telephone that he had learned from a reliable source that the intention was merely to declare in the Council meeting scheduled for 4 o'clock tomorrow afternoon that the Saar was to be united with Germany in accordance with the results of the plebiscite, but not to arrange the date of reintegration at the same time. Herr Krauel asked whether he should immediately make a *démarche* with the Italians regarding the date.

Approximately half an hour later Herr Krauel further told me that Signor Biancheri had summoned him and informed him of the draft for tomorrow's Council resolution. After some introductory remarks the draft stated the following:

"The Council hereby decides in favour of union with Germany of the Territory of the Saar Basin as defined in Article 47 [*sic*]¹ of the Treaty of Versailles on the terms provided for in the Treaty; it declares that the date for Germany's re-establishment in the Government of the Saar Territory shall be determined 'as soon as the arrangements required in view of the change of régime have been made. Consequently, it directs its Committee to submit to it within the shortest possible time proposals relating to the arrangements envisaged in the preceding paragraph'."²

Herr Krauel remarked to Signor Biancheri that this draft was surely meant to convey that the date would be determined during the present Council session. Biancheri denied this and explained that, after all, it could not be seen at the moment what was still to be settled in the way of "arrangements". Herr Krauel replied, of course purely on his own initiative, that he could not understand this attitude, especially as both Aloisi and Simon had only a few days ago spoken of fixing the date before this meeting finished. He remarked further that apart from the question of demilitarization raised by Massigli,³ only a few questions of secondary importance still remained which would by no means warrant a postponement of the determination of the date. Biancheri did not share this opinion, and remarked that it was not known at the moment what kind of questions might still arise. Apparently the Italians envisage as the first stage of the further procedure

¹ Evidently a typing error; Article 48 is clearly meant. See Editors' Note, p. 810.

² The passage in single quotation marks is in French in the original.

³ See document No. 428.

that the Governing Commission and the French Government should state the points which in their opinion remain to be settled.

Summing up, Herr Krauel remarked that he had gained a very unfavourable impression from his conversations today.

In conformity with instructions which I obtained from the State Secretary between the first and second telephone calls from Herr Krauel, I informed the latter that we did not consider it expedient or feasible here to demand the immediate determination of the date in tomorrow's Council resolution. On the other hand, a rhetorical phrase such as that the date was to be arranged "as soon as possible" naturally would not provide us with anything tangible. We should have to receive an assurance that the date would be fixed within the next few days. The form in which this would have to be done would be left to the discretion of the Italians, if only so that we should not have to assume any responsibility. If it was intended to put off the determination of the date indefinitely, this would naturally cause great feeling in Germany and in the Saar.

In view of the additional information he gave me in his second telephone call, Herr Krauel shared my opinion that it would be better if he did nothing more this evening but waited until tomorrow morning for fresh instructions.

No. 433

6115/E455019-21

Memorandum by the Director of Department II

BERLIN, January 15, 1935.

II Oe. 158.

At a party yesterday the French Ambassador drew my attention, with a hint of amusement in his voice, to the fact that we had during the past few days continuously been showering the Embassy with all kinds of alarmist reports of French machinations in the Saar Territory. Fortunately none of these reports had proved correct.

I replied that on each occasion we had been particularly grateful to the Embassy for pointing this out so promptly. We had thus been able to allay a good deal of disquiet and uneasiness by means of the authentic information supplied by the French Embassy. The uneasiness was, however, in no way confined to the Saar Territory; in Austria and in other countries, too, people seemed to be imagining things. There was no end to persistent talk about a *Putsch* and an imminent invasion by the Austrian Legion which was said already to have been moved up to the Bavarian-Austrian frontier for the purpose.¹

¹ See document No. 424 and footnote 1 thereto. In telegram No. 6 of Jan. 11 (6115/E455004-05), Erbach also reported from Vienna that such rumours were widely current in Austrian National Socialist circles.

It would appear that these rumours had also found credence in Paris. On the other hand, reports had reached us in this connexion which were not based on rumours or speculation but which could be traced to completely reliable sources. According to these reports, Italian troop movements had again been observed in the Brenner area;² the Czechoslovak Army had called up its reserves for manoeuvres in January, and fairly large Austrian units from the Austrian Tyrol had also been sent to the allegedly threatened frontier area in the first days of January.³

The Ambassador confirmed that similar alarmist reports had also been received in Paris, apparently from official Austrian sources; he did not deny that the above-mentioned troop movements, of which he too was obviously aware, had taken place.

I then explained to the Ambassador fully and with emphasis how matters really stood in regard to the Austrian Legion and told him that all rumours of a transfer of the Legion from Coburg to Bad Aibling were complete nonsense. We had received reports not only from top-ranking SA leaders but in particular also from the Reichswehr, who had even had the frontier patrolled by officers by car the day before yesterday; there was not one single Austrian Legionary in the whole frontier area which is supposed to be crammed full of them.

The Ambassador was visibly impressed by this information, which I described as an official statement.

When in the course of the conversation I took the opportunity of reminding him that the 6th and 20th French Corps had already been mobilized for some time,³ the Ambassador quickly changed the subject.

KÖPKE

² See also documents Nos. 122 and 128.

³ In a memorandum of Jan. 11 (6115/E455011-13), Köpke recorded that this information had been supplied by Col. Heinrich von Stülpnagel when he called at the Foreign Ministry on that day.

No. 434

5740/H031860-71

The Ambassador in Great Britain to the Foreign Ministry

A 198

LONDON, January 15, 1935.

Received January 18.

III E 160.

Subject: Germany's position in international politics at the turn of the year.

The turn of the year 1934-35 finds non-German Europe very actively engaged in foreign affairs; this activity is characterized by strong political optimism, which finds practical expression, *inter alia*, in the

attitude of the stock exchanges. The slogan is: Europe must be freed from its internal frictions and world peace must be secured. The general terms in which this problem is set forth must not be allowed to conceal the fact that, however important European disputes elsewhere may be, it is essentially the German problem which is at issue.

The objective is not really the encirclement of Germany, but rather her inclusion by amicable means in a fixed system which would make it impossible for her to take undesirable independent action. Germany is expected to enter into all sorts of systems which have been created without her collaboration, on the grounds that she could give no better proof of her oft-declared desire for peace than by entering into the web of pacts and arrangements. On condition that Germany is prepared to participate, she is promised friendly cooperation, which would probably, in the end, be on a basis of equality of rights.

The motives of those who have initiated the foreign political campaign are various; with the Russians it is distrust and hostility; in France it is the conscious adaptation of her policy (designed, as always, to render Germany harmless as far as possible) to unalterable facts; in Italy it is the opportunist pursuit of her own interests; in Britain the systematic use, without being influenced to any great extent either by sympathy or aversion, of all means which seem likely to lead to an effective safeguarding of world peace.

The political activity which has now begun in Europe will soon draw Germany into its orbit and face her with decisions for which she must be prepared. The time has passed when procrastination was free from risk and appropriate, and a new era has begun when Germany will have to adopt an active attitude on all questions which become acute, if she does not wish to run the risk of the efforts being made for amicable integration once again becoming attempts at hostile encirclement.

In effect, as far as can be seen from here, the following individual problems, which I have listed according to their degree of urgency, are involved:

- (1) The Eastern Pact,
- (2) The Rome agreements,¹
- (3) The armaments question,
- (4) Germany's return to international cooperation, that is, in brief, her return to the League of Nations.

What lines of policy should Germany follow to safeguard her interests in the political struggle about to take place for the reorganization of Europe? I take these interests to be, on the one hand, to avoid being completely hamstrung, and, on the other, by ensuring German collaboration within carefully considered limits, to create a situation in

¹ See document No. 405, and footnote 1 thereto.

which Germany's equality of rights in negotiation is recognized while, at the same time, her own objectives are safeguarded.

To answer this question, a short separate examination of the above four problems appears to be necessary first.

(1) Eastern Pact.

The plan for an Eastern Pact is by no means as dead, as, for example, the British press reported with evident satisfaction under the impact of the Franco-Italian agreement in Rome. It has only temporarily, and to the great annoyance of the Russians, been put into the shade by the lustre of the visit to Rome. M. Litvinov, supported by the Franco-Russian protocol of Geneva signed in December,² will see to it that the Eastern Pact will soon come into the light of actuality again. France also, quite apart from her very formal links with Russia, will certainly remain faithful to the Eastern Pact idea. This indeed forms one of the essential pillars in the system of regional pacts, which France wishes to set up in place of the non-attainable all-European guarantee system, i.e., one of the most important subsidiary plans for hamstringing Germany. We must, therefore, certainly count on having very shortly to deal again with the Eastern Pact plan.

I am still of the opinion that Germany should decline to join the Eastern Pact. The Eastern Pact project by its very nature is nothing but an attempt by France and Russia to conclude a disguised alliance which through its deceptive pact form and its covering by the League of Nations is to be given an outwardly harmless appearance, and made palatable, especially to Britain. It is certainly not in our interest, by accepting this cleverly thought-out fiction, to allow ourselves to be deceived, and even to help in deceiving the rest of the world, regarding the real meaning of this product of Franco-Russian cunning. I even ask myself whether it is still necessary now, when the Rome agreements have turned the interest of the world towards new pact combinations, to meet the Eastern Pact project by positive German proposals for the prevention of war; for it appears to me that there is a danger that Poland might be made to waver in her opposition to the Eastern Pact by such multilateral projects for the prevention of war, which are obviously not looked upon with favour by the Polish Government either.

If the Eastern Pact is ultimately wrecked by being jointly rejected by Poland and Germany, that can scarcely do us much harm. It is still very doubtful whether France, faced with the failure of her plan for smuggling a Franco-Russian alliance into an ostensible system for collectively securing peace, will after all decide to conclude a formal alliance with Russia despite the resistance to be expected in her own

² See document No. 382, footnote 1.

country and against British opposition. If, however, she should do this, the Reich Government's attitude would surely be that an open Franco-Russian alliance is preferable to one which is deceptive and disguised.

(2) Rome agreements.

If the Italo-French Rome agreements and the resulting verbose proclamations are examined as to their real meanings, it will be found that in spite of all the comprehensive mutual assurances of friendship and cooperation, the true binding element is the Austrian problem alone. Everywhere in the texts one is aware of the necessity of wording them in such a way as to circumnavigate points of difference, and throughout one finds traces of compromise between the scribes responsible for the drafting.

It is to be proposed to the States mainly interested in the Austrian problem and later on also to a few other States, as well as Austria herself, that an agreement be concluded which should contain a mutual obligation of non-intervention in the domestic affairs of each country, as well as a mutual obligation to refrain from furthering forcible attempts at creating revolution in other participating States. It appears to me that, compared with the German Government's declaration about Germany's attitude on the Austrian question,³ these proposed obligations contain scarcely anything which is new. Although this centre-piece of the Rome agreements is adorned with an Italo-French acknowledgement of the obligation of all States to respect the independence of the other States, that is to say, of Austria, as well as an Italo-French consultative agreement expressly designed to apply to Austrian independence, it seems to me, nevertheless, that there is no fundamental reason for us not to join the main agreement.

(3) The armaments question.

The strength of our position in the armaments question in the past year has been that, when objections and reproaches were made, we could always maintain convincingly that we, who in the matter of armaments were in complete accord with Italy and had achieved far-reaching agreement with Britain, were not the country responsible for the failure to conclude a Disarmament Convention, but that, on the contrary, it was France who, by her Note to Britain of April 17, 1934,⁴ had destroyed the nascent Convention. In these circumstances, Germany could, without meeting any serious opposition, and feeling herself to be morally justified, begin to satisfy her armaments requirements. Moreover, these German armaments measures, even if they caused great unrest and occasioned grotesquely exaggerated reports

³ Extracts from Hitler's speech to the Reichstag on Jan. 30, 1934, in which he stated his views on Austro-German relations, are printed in Baynes: *Hitler's Speeches*, vol. II, pp. 1163-1167.

⁴ See document No. 4, footnote 7.

about German rearmament, have not yet, and this is of course well known abroad, reached proportions which would appear to foreign countries to constitute a direct threat.

When, as is probable, what is thought to be a danger level is reached, the uneasiness about German armaments measures is likely to grow and force the leading authorities to abandon the attitude of *laissez faire* which they have, on the whole, maintained so far. If this is accompanied by a trend in French policy towards abandoning the attitude taken up in the Note of April 17, 1934, and towards a readiness to grant equality of rights to Germany, then our tactical position too would immediately change. We would then no longer be in a position to point to France as the guilty party, but would, if we continued to procrastinate, run the risk of ourselves being branded as the guilty party and, ultimately, of becoming dangerously isolated.

French policy is now clearly tending towards the idea of granting Germany equality of rights, while, however, making the achievement of the security system planned by her a precondition for this. France obviously intends to demand Germany's adherence to the Eastern Pact and to the Rome agreements, as well as her return to the League of Nations; she will also demand Britain's cooperation in an agreement, which, as is known, Barthou rejected as insufficient in the Note of April 17, 1934, guaranteeing the application of the proposed Convention. The British Government, on the other hand, are, as I have repeatedly reported, determined to bring up the armaments problem once more and to make great efforts for a settlement; and they are probably also prepared subsequently to honour their promise to join in guaranteeing its application. Italy is probably similarly minded.

In these circumstances it becomes necessary for us to prepare to take an active part in the coming negotiations. The British Government, as I have ascertained, do not intend to reach, without German participation, definite agreements on the armaments question which would then be presented to Germany;⁵ nor are they striving to achieve any mutual obligations during the coming visit by the French Ministers to London.⁶ Rather, they are hoping to include Germany at an early date in an unprejudiced exchange of views.

It appears to me, therefore, important that we should quickly decide upon our attitude and our tactics. The prospects for an agreement, which, in my view, is urgently desirable, will be all the better the more we can base our demands on previous agreements, and the more we are able to emphasize the purely defensive factor. Naturally we must not reduce the amount of armaments which we consider necessary. Our concern should, rather, be to state our demands in

⁵ See also document No. 421.

⁶ See documents No. 479, with footnote 1 thereto, and No. 483.

such a way that they do not appear to be sudden, unreasonable fresh demands. Such of our wishes as might remain unfulfilled could perhaps be met by limiting the term of validity of the proposed Convention. We shall hardly be able to object to the introduction, which we have already previously accepted, of a mutual system of control.

In any case it seems to me indicated that, whilst fully protecting our interests, we should adopt a positive attitude to the resumption of discussion on armaments.

(4) Germany's return to international cooperation, that is, in brief, her return to the League of Nations.

The Reich Government's view on the question of Germany's return to the League of Nations has so far been that a discussion was absolutely out of the question as long as Germany had not achieved equality of rights *de facto* in the field of armaments; once this objective had been achieved Germany would be prepared to discuss the conditions for her return, and these conditions would be a thorough reform of the Covenant of the League.

In the meantime the League of Nations had had many setbacks but also some increases in strength, such as Russia's entry and the growth of pro-League feeling in America. Recently its prestige has greatly increased because of, *inter alia*, its treatment, which is considered to be successful, of the Saar problem and of the Hungarian-Yugoslav dispute. Above all, however, the most important Governments, for instance those of Britain and France, have repeatedly taken the League of Nations as the focal point of their foreign policy, while Italy too, as emerges from the Rome protocols, is once more turning towards the League of Nations. Thus, today more than ever, international cooperation means, in the eyes of the European Powers, cooperation at Geneva, and it is not quite clear how it would be possible truly to cooperate and share in decisions on the questions which are decisive for Europe otherwise than within the framework of the League of Nations.

This does not, of course, in itself mean that it is necessary for Germany to turn towards the League of Nations once again. It seems to me, however, that a settlement of the armaments question, and consequently a real pacification of Europe, will not in fact be possible unless we at least hold out prospects of our possible return to Geneva later, on clearly stated conditions. Our main condition must, of course, still be that our equality of rights in the sphere of armaments, which has been recognized, must first be put into practice. The position over the stipulated reform of the League of Nations might perhaps be slightly different, if what is envisaged here is a fundamental alteration of the Covenant. Such a reform is utterly impossible because, to mention only one reason, over the security question (Article 16 and others), which is particularly important, the French are making

efforts to have the relevant regulations made more stringent, and would flatly reject any relaxation here, while other States, including Germany, would take the opposite view; nor could a discussion on Article 19 ever lead to an agreement. To uphold our stipulation for a reform of the Covenant would, therefore, in fact amount to a final refusal to return.

I would, however, consider that we were adopting a positive attitude to the question of our return to the League, and one more in conformity with Germany's interests, if we were to demand that all the provisions which still involve discriminatory treatment of Germany should be eliminated from the League of Nations Covenant. If, after achieving recognition of our equality of rights in the military sphere, we were to succeed in removing this discrimination, we would then be able to return to the League of Nations in all honour, and we would then be free to work *inside* the League for those reforms of the Covenant which we might still consider necessary.

On the corner-stones of our policy elaborated above, that is to say, rejection of the Eastern Pact, adherence to the Rome pact of non-intervention, a positive attitude to fresh armaments negotiations, and readiness, on certain conditions, to return to the League of Nations, we must now build up an overall tactical programme.

That equality of rights in the sphere of armaments which we ourselves now claim as a matter of course, but whose effective *de jure* acknowledgement by the outside world we have not yet achieved, must of course continue to be the central theme of German politics. There is no question of our taking any initiatives. On the contrary, we can, conscious of our rights and while continuing our measures for adjusting our armaments, wait quietly until we are approached. Attempts on our part, by making direct contact with any of our previous opponents, especially with France, to reach the target we have set ourselves, could not lead to anything, but could, at best, only clear the atmosphere if such attempts were aimed quite generally at an improvement in mutual understanding. France is and remains our chief opponent in the struggle for recognition of our rights in the military sphere, and we shall need the influence of the other Great Powers if France is ultimately to be brought round.

There can be no question of our making any gestures beforehand. Our adherence to the Rome pact of non-intervention and also our possible readiness to return to Geneva must, therefore, remain dependent on our securing recognition *de facto* of our equality of rights in all spheres.

This overall point of view must have the nature of a positive attitude and must give the other side the impression that, should our desires be sympathetically met, we would be prepared to cooperate constructively. Care must be taken, in the event of a possible French demand that Britain confirm her obligations under the Locarno

Treaty, to prevent Britain being one-sidedly committed in France's favour, particularly in the military sphere, which would upset the balance of the Locarno guarantees.

If an agreement is reached on the basis of these principles, then Germany will retain sufficient freedom of action to enable her to continue her progress within the framework set up by the Reich Government. The simultaneous pacification of Europe which might then be expected would, moreover, benefit us too and would make it possible for us, by working undisturbed on reconstruction at home, to lay a yet firmer foundation for a happier future for the German people.

HOESCH

No. 435

6115/E454995-96

The Chief of Staff of the SA to the Foreign Minister

438/35 II/19.d.B/R

BERLIN, January 15, 1935.

Subject: The Austrian Legion.

With reference to your letter of January 11, 1935.¹

DEAR HERR VON NEURATH: I have taken note of the contents of your letter dated January 11 and of the enclosed memoranda [*sic*: memorandum] dated January 10.

The Austrian Legion has been completely disbanded. The fact that the men have not yet been transferred is due to the difficulties still being encountered in respect of finance. I should therefore be very grateful to you if you, too, would exert your influence to have the funds made available as quickly as possible.

With regard to our conversation concerning the transfer of the camps, I must stress once more that I cannot share your views. I intend to move the camps into the zone stretching roughly from Borken (Westphalia) southwards to the region of Wesel and Cleve.²

It is after all impossible to take exception to this as otherwise I would also have to disband the SA in this zone.

Moreover, we are really only concerned here with the care of the Austrians as refugees since we cannot, after all, simply turn them out into the street.

I would now ask you once again to drop your objections, especially as the Führer has already agreed to my plan.

Might I perhaps request once more that you yourself make representations to the Ministry of Finance so that the funds for the camps

¹ Document No. 424.

² Marginal note in Neurath's handwriting: "Herr von Blomberg also agrees to this reorganization."

are finally granted and an end put at last to all the anxieties of the Austrian Government.³

Yours etc.,

LUTZE

³ In a letter to Lutze of Jan. 17 (6115/E454997), Neurath agreed to the proposed transfer of the Austrian Legion and added that he would urge the Minister of Finance to make funds available for this purpose; he did so in a letter to Schwerin-Krosigk of the same day (6115/E454998-99). In a memorandum of Jan. 29 (6115/E455037), Renthe-Fink recorded that he had agreed with Ministerialrat Erbe of the Ministry of the Interior that at the negotiations in progress there arrangements should be made for the transfer of those sections of the Austrian Legion still stationed in Southern Bavaria.

No. 436

3154/671124-25

Memorandum by the Foreign Minister

BERLIN, January 16, 1935.

RM 30.

OBSERVATIONS ON THE TREATMENT OF THE ARMAMENTS QUESTION

We are still prepared to take part in a convention for the limitation of armaments or for disarmament, but only on the basis of full equality of rights. Neither the Italian proposals of January 1934¹ nor the British proposals of the spring of 1934² can serve as a basis for our armaments. Since then the situation has completely changed. All the other States have been feverishly arming, especially in the air. Besides this, the recent *rapprochement* between the Soviet Union and France³ is an important new factor for our armaments. The German statements on the limitation of armaments made in the spring of 1934 are, therefore, no longer in any way binding.

Any convention which might be concluded should, therefore, not require a declaration of the state of the armaments of the participants in the convention, and should confine itself to limiting or forbidding internationally the use of certain weapons (for instance the use of poison gas), or to limiting their use to the actual theatre of war (for instance, allowing the use of bomber aircraft only in the actual theatre of war and to a depth of fifteen kilometres).

Should an agreement on the abolition of certain kinds of arms be reached, we should be prepared to take part in this on condition that this abolition is carried out within six months and uniformly by all the participants in the pact.

No information whatsoever is to be given on the state of our armaments.

¹ See document No. 4, footnote 5.

² See vol. II of this Series, memoranda of Feb. 20, 21 and 22.

³ See document No. 382, footnote 1.

All the Great Powers and the smaller European States would have to participate in the convention.

V. N[EURATH]⁴

⁴ A marginal note in Neurath's handwriting indicates that this memorandum was prepared for the State Secretary, the Director of Department II and the Commissioner for Disarmament.

No. 437

3154/671123

Memorandum by the State Secretary

CONFIDENTIAL

BERLIN, January 16, 1935.

Yesterday evening General von Reichenau spoke to me about the disarmament problem. He termed any disarmament inspection particularly undesirable and dangerous. We were agreed, however, that there was no question of rejecting inspection but that, on the contrary, this would have to be opposed by Germany putting forward inspection demands that are burdensome to the others.

BÜLOW

No. 438

7825/E567566

Unsigned Memorandum¹

GENERAL DIRECTIONS FOR OUR ATTITUDE TOWARDS THE ROME PROTOCOLS

We declare that we are prepared to enter into discussions on the possibility of our participating. Clarification of a number of points, amongst others the meaning of the words "within the framework of the League of Nations", will first be necessary.

If the Austrian people were to revolt against the present system of government, should we be required to assist in supporting that system?

We must insist that the special agreements envisaged in the draft protocol must have the approval of all parties to the pact.

Further, we should demand that Britain also join the Danube Region Guarantee Pact.

No official statement of our views on the Rome protocols should be made before there has been a final decision on the Saar question.

Participation in an international conference for the discussion of questions concerning the Rome protocols cannot be considered.

¹ Marginal note in Köpke's handwriting: "From the Foreign Minister on Jan. 16, 1935, after his return from the Obersalzberg."

No. 439

3242/711948-49

Memorandum by the State Secretary

BERLIN, January 16, 1935.

The French Ambassador brought me today, officially, as he emphasized, the official text of the Rome resolutions¹ as they were signed and now officially communicated to us. He officially requested a statement of our views, and particularly a declaration about whether we were now prepared to join. He also mentioned that the text should be treated as confidential. It should not be published, even though its contents were already known from official comments.

Personally, and, as he emphasized, without instructions, he asked what, in our view, the further procedure should now be. I told him that we would continue our study of the Rome results and probably put further questions. The best way appeared to me to be diplomatic conversations, possibly with an exchange of notes. The Ambassador did not appear to think much of an exchange of notes and raised the question as to what a possible final act would be like. I declined to give an opinion on this.

The Ambassador then spoke about the disarmament paper from Rome, which he had handed to the Foreign Minister before the latter's departure for Obersalzberg.² Through a regrettable indiscretion, which could only be prejudicial to an understanding, something about this paper had appeared in the press. He pointed out that this Rome resolution meant a return to the understanding of December 11,

¹ i.e., the *procès verbal* on Austria (not printed, 7825/E567559-60); see document No. 408, enclosure, with footnotes thereto. A memorandum of even date by Bülow (3242/711950) records that the Italian Ambassador that day also furnished him with the official text of the *procès verbal*, drawing attention to a slight change from the version he had previously communicated (on Jan. 11) and requesting a statement of the German views. This text (7825/E567562) agrees with that supplied by François-Poncet the same day. Previously, in a memorandum of Jan. 11 (2784/540369), Bülow had recorded receiving from the Italian Ambassador "a fresh copy of the Rome non-intervention pact" (7825/E567502-03); Cerruti had stated that this was not yet final but pointed out that it now contained the words "cooperation of the Council of the League of Nations" (see document No. 408, footnote 11).

² According to a memorandum by Neurath, RM 17 of Jan. 11 (2406/510914), the French Ambassador had again called on him and brought him the "texts of the Rome agreements" explaining that the amendments there appearing were the result of a comparison with the version in the possession of the Italian Ambassador (see footnote 1 above) but neither of them yet had the authentic text. The documents furnished by François-Poncet consist of: (1) a copy of the *procès verbal* on Austria (2406/510915-16) with handwritten amendments which corresponds to the version furnished that day by Cerruti (see footnote 1 above) and (2) a declaration, also in French (2406/510917), which reads: "The two Governments have agreed in recognizing that no country can unilaterally change its obligations concerning armaments, and they have undertaken to consult each other should this principle be disregarded. They have also determined that the principle of equality of rights, as defined by the Declaration of Dec. 11, 1932, retains its full validity."

1932,³ on equality of rights within the framework of security. For his Government security meant the expansion of the Locarno system through the Rome Pact and the Eastern Pact. He hinted that there might be question of further pacts, which would not directly affect us, but he did not speak about our returning to the League of Nations. The drafts of both pacts were for discussion; their wording could be deliberated. He inferred that we were more favourably disposed towards the Danubian Pact, which he consistently called the Austrian Pact, than to the form given to the Eastern Pact, and thought that the form of the Eastern Pact could easily be made to resemble that of the Danubian Pact. As he had already done recently, he referred to the possibility of taking into account the wishes of all parties through subsidiary agreements which would not bind all States to the same extent. I rejected this idea because it could easily lead to a faulty construction of the Pact, but I did not say that subsidiary agreements could only be accepted by us if they had the approval of all parties. The Ambassador also emphasized that, for his Government, the two pacts formed a whole, and that therefore, bearing in mind the Rome resolutions and the satisfaction of the French desire for security, there would be no object in accepting one pact and rejecting the other.

BÜLOW

³ i.e., the Five Power Declaration; see vol. I of this Series, Editors' Note, p. 18.

No. 440

6695/H101992-102008

Memorandum by the State Secretary

BERLIN, January 16, 1935.

e.o. IV Ru. 191.

The French Ambassador today handed me a Memorandum containing the French reply to the German Memorandum of September 10 last¹ regarding the Eastern Pact. He said that the Memorandum was conciliatory and was based on the desire to continue negotiations on the Eastern Pact. He had been instructed to inform the press at home that he had handed over the reply here. I then drafted an appropriate communiqué for DNB.²

BÜLOW

¹ Document No. 200.

² Not reprinted (6695/H102009).

[Enclosure]³

PARIS, January 15, 1935.

In a Memorandum of September 10 last, the German Government

³ The text of this Memorandum is in French in the original.

were so good as to set forth their observations on the projected Eastern Pact of Mutual Assistance, as put to them in the communications from the French Government of June and July of last year.

These observations have received the full attention of the French Government. They have been subjected to a thorough examination, carried out in a spirit of sincere understanding and with the most lively desire to reply to the legitimate preoccupations of the German Government.

The outcome of this examination and the complementary information which has been obtained through diplomatic channels are of such a kind as to confirm the French Government in the view that a complete and candid discussion should not leave room for any irreducible differences of opinion between the two Governments. In fact, it appears from an analysis of the German Memorandum that certain parts of the project and of the texts communicated to them may, in the German mind, have been given a wrong interpretation which would naturally give rise to an assessment different from that of the French Government. The new definitions which are now being communicated to the Reich Government may enable them to conclude that, on the whole, their point of view is not as distant as they appear to believe from that of the French Government.

1) Among the observations on principle set forth in the Memorandum of September 10, there is one to which the French Government wish to reply first of all. The fact that, in one particular question, namely that of armaments, the German Government are at present bound by their own obligations, is by no means incompatible with the perfect equality of treatment guaranteed to a country which has been asked to participate in so great an undertaking as that of establishing peace in Europe. The French Government cannot imagine that the German Government can have the least doubt on this head, since to believe the contrary would lead to the conclusion that Germany feels she must refrain from taking any part whatever in international politics.

The projected Eastern Pact is essentially inspired by the principle of absolute reciprocity, and this conception excludes, as will be shown later, any distinction between the contracting Powers. Thus, if it were possible to establish a connexion between the conclusion of the Pact and the settlement of the armaments problem, the principle of equality of rights invoked by the German Government would be far from invalidated by the negotiations for the Pact, since these negotiations, conducted on the basis of complete equality, would, on the contrary, provide yet another proof that there is no thought of discriminating against Germany.

2) In view of the connexion which might exist between the project of which they have been informed and the question of armaments, the Reich Government recall previous discussions and negotiations to

which this question and that of security have given rise, referring particularly to the Declaration of December 11, 1932.⁴ They also recall the Declaration which was made to them last July by the British Government,⁵ in agreement with the French Government, and which was then confirmed by a public statement by M. Louis Barthou.⁶ Their apprehensions regarding the realization of equality of rights are, they say, increased, rather than dispelled, by the assurance that "the conclusion of such a pact and Germany's participation in the system of reciprocal guarantees now contemplated would form the best ground on which to open negotiations for the conclusion of a convention providing for a reasonable application of the principle of German equality of rights in a régime of security for all nations". They would, in fact, deduce from this that the settlement of the armaments question would be compromised, because subordinated in this way to the realization of new security guarantees.

The French Government find it hard to believe that the declaration of last July could be interpreted thus. As is pointed out at the beginning of the Memorandum of September 10, the German Government themselves maintain that they are always prepared both to establish reasonable and equitable ratios between the armaments of the various States and to participate in other political arrangements based on complete reciprocity and likely to consolidate peace. Now the course of the negotiations concerning armaments has shown that if progress were to be made in the search for a solution of this problem, this could only be by way of progress as regards security. And the project at present under discussion would make it possible for precisely that progress to be made.

Far, therefore, from having to make the first move towards a settlement of the present problems, which they themselves would not consider justified, the Government of the Reich are, on the contrary, invited to associate themselves with an initiative from which Germany, like all the other States, must benefit.

3) The German Government state that the project which they have examined presupposes Germany's return to the League of Nations.

The French Government have never pretended that they did not still hope to see Germany resume active collaboration within the League of Nations. They therefore deem it a favourable circumstance that Germany's withdrawal from the League of Nations cannot be considered as final for almost another year, and that there is therefore a space of time during which circumstances may render invalid the reasons which Germany felt she had for giving notice of withdrawal.

⁴ For the Five Power Declaration of Dec. 11, 1932, see vol. 1 of this Series, Editors' Note, p. 18.

⁵ See document No. 85.

⁶ See document No. 92, footnote 17.

4) Concerning the contents proper of the projected Pact, the French Government are happy to find that the observations of the German Government are such as they can conveniently answer.

If this project should be as difficult to realize as a security pact embracing all the States, this assessment would amount to a denial of everything of this kind which has been accomplished during the last ten years. The Locarno Agreements do not constitute the only system of regional security which has been set up in Europe, and it cannot be said that any justification has been given for the special nature of these agreements, or any reason for not applying in other regions a system whose good results have been shown by experience. Moreover, the difficulties of achieving this on an international scale could not in themselves constitute a reason for refraining from any attempt at constructive cooperation. It is hard to believe that the Reich Government should think it pointless to participate in such an attempt, an attempt which concerns a region where a political crisis could not be a matter of indifference to Germany.

5) It seems hard for the German Government to conceive of a pact of mutual assistance between States not equal in strength which could offer effective protection to those among them who are less powerful.

The Memorandum of September 10 provides no justification for this view. Is it not precisely the assistance of other contracting Powers which could compensate for such inequality and prevent that resort to force to which the German Government declare themselves opposed? Do not collective treaties, in this respect, offer guarantees of equality which bilateral agreements between States of unequal strength could never give?

6) The German Government say they fear that the assistance which the contracting Powers would be pledged to give would be *automatic* and military. They also stress the difficulty of reaching agreement on the subject of the recipient of the assistance and the lack of a definite procedure to determine it.

In actual fact—and this is one of the points which the French Government had in mind when first mentioning certain misunderstandings over the interpretation of the project—the outline submitted to the Governments concerned by no means provides for *automatic* assistance; it merely indicates that the assistance should be immediate. The task of defining the scope of the assistance has purposely been left for the negotiations. And indeed, by indicating that the pact would be drawn up in accordance with the principles of the League of Nations, it has been sufficiently clearly shown that, as in the case of the Locarno Agreements, its function would be of the kind normally devolving on the Council of the League of Nations, both as regards the determination of the State to whom assistance might be due, and the scope of the assistance itself. Moreover, the explanations furnished by the French

Government regarding the assistance which they themselves would undertake to render show that in such a case the Council would retain their full powers of determination. Finally, the preliminary consultation expressly provided for would itself constitute a guarantee against any unforeseen risk of the assistance coming into play *automatically*.

7) The German Government ask what may be the justification for France's participating in a regional pact in which, geographically, she is not immediately interested.

The security of one region of Europe is a factor in the general security of Europe. It is for this reason that, in the elaboration on the Locarno Agreements, it seemed natural and useful that some Power, which, geographically, was not immediately interested, should give a supplementary guarantee for the Rhine Pact. It is no less natural that France should furnish an analogous guarantee for a pact for the security of Eastern Europe, just as Russia would give one for the Rhine Pact.

Assistance given in such a case, and in the general interests of peace, by France and Germany, could not cause surprise and would enter into force normally from the moment when the French Government had pledged themselves to it. That, on the other hand, the French Government's guarantee should only include Germany and Russia, should not surprise the German Government, if they will call to mind the Locarno Agreements which have already secured the assistance of France for Poland and Czechoslovakia.

8) On several occasions and in various forms, either by expressing the fear that the scope of the Pact would result in the formation of mutually hostile groups among the contracting Powers, or by referring to the guarantees which France and Russia would give, the German Government convey their uneasiness lest the proposed Pact should rest on a merely formal equality and lest, in reality, it should simply be based on a policy of power groups.

The French Government can affirm that such an idea has never entered into their conception of the Pact. In this respect they have been inspired, and they are convinced that the other Governments are inspired, by no ulterior motives and by no interests save those of peace. Free from all political designs and all selfish preoccupations, a common desire jointly to increase their security can alone cause the participants to conclude such a pact. The system of obligations for which it provides does not allow of any grouping other than the possible uniting of the other contracting Powers against that one among them, whichever it might be, that, belying its signature, would resort to force.

The German Government have at the same time expressed some fear lest the application of the Pact should present difficulties because of possible contradictions to previous obligations undertaken by one or other of the contracting Powers. This fear is without foundation.

For such a contradiction to exist, in fact, it would be necessary for one of the contracting Powers to have undertaken not to render the assistance provided for by the proposed pact. This hypothesis is inadmissible, since it concerns States members of the League of Nations who, under Article 10 of the Covenant, owe support to any other member of the League who might become the victim of aggression.

9) Uneasiness is expressed in the Memorandum as to the obligation under which any of the States might find itself of allowing passage to the forces of other contracting Powers who had to render aid to a State which had been attacked.

It must be recalled that a similar obligation is already included in an Article of the Covenant of the League of Nations⁷ and that Germany has never denounced it. The facility concerned seems the less unreasonable in view of the fact that it would be afforded between States held together by a special bond. Moreover, in many cases passage through the territory of a third party could be avoided; on the other hand it could be arranged, should the situation arise, in such a manner as to satisfy the States concerned.

In conclusion, the German Government do not refuse to make a joint examination of the possibilities of providing, for certain parts of Europe, new guarantees of security as well as of securing a settlement of the armaments question. While pointing out that bilateral agreements appear to them, in general, to offer better chances of success, they do not reject the idea of collective pacts. Nevertheless they recommend that the idea, not of immediate assistance, but of a collective guarantee of non-aggression together with an undertaking to consult for the solution of such political crises as might arise, be taken as the basis for such agreements.

The French Government are happy to take cognizance of such general inclinations. Wishing to secure the full benefits of these inclinations in their present diplomatic enterprise, they deem it their duty, in the general interests of Europe, to express the hope that the Reich Government will be able further to extend their understanding of the conditions which are indispensable for the success of this enterprise.

The views set forth in the Memorandum of September 10 would not in themselves provide a sufficiently large number of factors of agreement to ensure the guarantees of security required by the project of the pact which has been under examination. A more exact appreciation of the spirit in which it was conceived as well as of the nature and the rôle of its various components, particularly in regard to consultation and assistance, would allow the German Government to assess the extra effort which it seems natural to the other Governments concerned to ask in their cooperation for the safeguarding of

⁷ Article 16. See also document No. 86, footnote 4.

peace. Great though the common desire may be to reinforce solidarity against the risk of war, this achievement, far from being assured, would rather be compromised if, even in an agreement limited to a few States, a promise of non-aggression and a consultation clause were accepted as sufficient, and if, should a crisis arise even after such consultation, there were no assurance of assistance against a resort to force and against the breaking of the sworn word.

From the exchanges of views in which the French Government have been engaged with the other Governments concerned it has become clear that adherence in principle by the Reich Government to the project of which they have been informed would ensure unanimous agreement from now on and would make it possible to achieve, within the framework and on the basis proposed, fresh guarantees of peace.

The French Government would be happy to be informed in this respect, and are persuaded that the German Government cannot be indifferent to the conclusion of a diplomatic undertaking which could alleviate the disquiet of so many nations.⁸

⁸ Marginal note in Neurath's handwriting: "A lot of words with little persuasive power." In a memorandum of Jan. 18 (6695/H102028) Meyer recorded that he had that day given Lipski a copy of the French Memorandum. Lipski had stated on Beck's instructions that French press reports stating that Beck had changed his attitude to the Eastern Pact were devoid of any foundation.

No. 441

3058/609945

Memorandum by the State Secretary

BERLIN, January 16, 1935.

I availed myself of the French Ambassador's visit today to speak about Massigli's intention¹ to take up the question of the demilitarization of the Saar with the League of Nations Council and explained to him what this meant in effect, without divulging that we were already in possession of the French document.² I earnestly requested him to give a warning against unnecessary complications of this kind and told him solemnly that we had always regarded the Saar as being situated within the demilitarized zone, that we had no intention whatever of remilitarizing it and that we did not intend to increase either the number of airfields or the existing police force, apart from police from the Rhineland for the initial period after its return.

¹ See document No. 428.

² In a telephone conversation at 11:30 a.m. on Jan. 15, which Voigt recorded in a memorandum of even date (7954/E574353), Krauel reported that Biancheri had given him a copy of a long *aide-mémoire* on the demilitarization of the Saar received by the Committee of Three from Massigli. This document drew attention to Articles 42 and 43 of the Treaty of Versailles and called for measures to ensure their application to the Saar. The full text (7954/E574384-90) was received in the Foreign Ministry on Jan. 17.

The Ambassador was impressed by these statements and maintained that a shrewd official like Massigli could not possibly put forward such ridiculous demands. Nor did he dispute that the League of Nations Council was in no way competent to deal with this matter. He promised to try and have Laval in Geneva informed by telephone; Laval would probably not approve of such plans which undoubtedly emanated from the French General Staff. He advised us to instruct Herr Berger or, if he was not in Geneva yet, Consul Krauel to call on Laval and explain the matter to him.³

BÜLOW

³ Marginal note against this sentence: "Please do not do this. N[eurath]."

No. 442

7954/E574357-58

Memorandum by the Director of Department V

BERLIN, January 16, 1935.

zu II SG.615.¹

Together with Herr Voigt I informed Herr Krauel by telephone this morning that the formula² for the Council's resolution regarding the Saar Territory handed to him by Biancheri yesterday was unsatisfactory; we were obliged for the familiar reasons to insist on the Council fixing the final date for reintegration during its present session. If that should not be possible during today's session of the Council, the Council could today direct the Committee of Three to submit to it at once a report on the whole of the further procedure including the date for reintegration, in which February 15 could then be proposed. Herr Krauel should discuss the matter not only with Biancheri but also with Aloisi himself and furthermore get into touch with the Spanish representative on the Council.³

Herr Krauel rang me up at about 12:30 p.m. and informed me that Aloisi had agreed to a resolution by the Council in the following form:

"The Council hereby decides in favour of union with Germany of the whole of the Territory of the Saar Basin as defined in Article 48 of the Treaty of Versailles in order that Germany may exercise sovereignty there, subject to her obligations resulting from the Treaty of Versailles and in accordance with the special undertakings entered into in connexion with the plebiscite."⁴

After this formula, March 1 of this year was to be laid down in the

¹ Document No. 432.

² See document No. 432.

³ Salvador de Madariaga.

⁴ The passage in quotation marks is in French in the original.

Council resolution as the date and the Committee of Three was to be authorized to discuss the questions still open with the parties concerned and to report to the Council on the results; should no agreement be reached with the parties, the Council was to decide. Signor Aloisi would, however, only be prepared to submit this resolution to the Council if we gave him a categorical statement that we understood the "obligations resulting from the Treaty of Versailles" to mean the application of the provisions governing demilitarization to the Saar Territory.

After reporting to the State Secretary and the Foreign Minister we informed Herr Krauel at about 1 p.m. that the above-mentioned French version seemed extremely undesirable to us, since it refers to a reservation about sovereignty and was moreover legally not clear. We could not see why this part of the resolution could not be left as it was in yesterday's formula. Should the Italians be satisfied with yesterday's formula, he was authorized to tell them that the German Government had always assumed that the Saar Territory was part of the demilitarized zone. Furthermore, if at all possible, he was to endeavour to have February 15, substituted for March 1, 1935, drawing attention to the familiar reasons for settling the Saar question quickly.

GAUS

No. 443

3058/609935-38

Memorandum by an Official of Department II

BERLIN, January 16, 1935.

e.o. II SG.625.

INFORMATION TELEPHONED BY HERR KRAUEL AT 2 P.M. ON
JANUARY 16, 1935

I

In his conversation with the Italians Herr Krauel enlarged upon our attitude, of which he had been informed by Herr Gaus,¹ and in particular made the declaration on the demilitarization question as he had been authorized to do. At the request of the Italians, this declaration was worded as follows: "The German Government declare that they have never contested and that they hold today the view that the Territory of the Saar forms part of the demilitarized zone provided for by the Treaty."² There was agreement that this was merely the written record of an oral declaration.

¹ See document No. 442.

² The passage in quotation marks is in French in the original.

Herr Krauel then said that, since basic agreement had thus been reached on the demilitarization question, it would serve no purpose to couch this point in the Council's resolution in the language of this morning's communication but that we should revert to yesterday's formula;³ if desired, we would agree to the inclusion of the special obligations in respect of the plebiscite as well, although we did not consider this necessary. The discussion led to the drawing up of a formula according to which the whole of the Saar Territory within the boundaries defined in Article 48 of the Versailles Treaty [was to be united with Germany] "under the conditions resulting from that Treaty and from the special undertakings entered into in connexion with the plebiscite". (For stylistic reasons the word "resulting [*découlant*]" has been substituted for "provided for [*prévues*]" in this formula.)⁴

As second point, the date of reintegration was discussed. Herr Krauel pressed for February 15, the Italians insisted on March 1. The question was left undecided.

The third point concerned further procedure. It is to be stated in the Council's resolution that the Committee of Three is to be instructed to ascertain what questions regarding the transfer of the Territory are to be settled and to submit a report on this; should the parties (by these are meant Germany, France, the Governing Commission and the Committee of Three) not be able to reach agreement a fortnight before the date of reintegration, the Committee is to inform the Council, which will take the necessary decisions.

The text of the formula for the Council's resolution as it resulted from this morning's conversations is now to be drawn up and is to be communicated to Herr Krauel at once. Naturally Herr Krauel has made the reservation that he must obtain our approval of the draft.

As it was simply impossible to agree on the final draft until this afternoon, the Council meeting has been postponed by mutual agreement until tomorrow morning.

II

Herr Krauel further said that the French, probably as a result of his remark that they had hitherto always spoken of a large number of questions still to be settled but had not defined these questions, had today once again presented a long *aide-mémoire* to the Italians. This *aide-mémoire*, which Herr Krauel has just received and will despatch to us tomorrow by air,⁵ is certainly lengthy rather than substantial. The three main points are: (a) demilitarization, (b) "recollection of the guarantees [*rappel des garanties*]" and (c) those questions which the

³ See document No. 432.

⁴ See also document No. 444.

⁵ The *aide-mémoire*, sent under cover of despatch No. 87 of Jan. 16 (7954/E574391-97), was received in the Foreign Ministry on Jan. 17.

Governing Commission would like to see settled. Attention is also drawn to the negotiations on finance, mines and economic questions at present in progress. It is therefore largely a question of the already familiar points.

III

I, for my part, informed Herr Krauel in accordance with my conversation with Herr Ministerialdirektor Ritter⁶ that, as was known, it had been our wish for practical and personnel reasons to have Herr Berger's negotiations on reintegration (the mines question, the currency question etc.) and the negotiations on trade policy held at the same place. In spite of two *démarches*, however, the French could not be persuaded to do so. Consequently, the negotiations have to be conducted at two different places. As several of our representatives would probably have to travel to and fro between the two places and as measures would also have to be taken to facilitate communications between both places, it does not seem possible to us to have the negotiations on reintegration held in Naples as Baron Aloisi wishes. In our view Rome would be acceptable.

Herr Krauel will inform the Italians accordingly.

VOIGT

⁶ No record of this conversation has been found.

No. 444

7954/E574363-67

Memorandum by an Official of Department II

[BERLIN, January 16, 1935.]

II SG.645.

INFORMATION TELEPHONED BY HERR KRAUEL AT 8 P.M. ON
JANUARY 16, 1935

Today Herr Krauel received the following communication from Biancheri on the Council's draft resolution:

"The Council's Committee is proposing to submit to the Council the following draft resolution:

Having regard to Articles 49 and 50 of the Treaty of Versailles and Chapter III of the Annex to those Articles,¹

And to the Council's decision of June 4, 1934,²

And to the regulations for the plebiscite in the Territory of the Saar Basin, dated July 7,³ 1934,

¹ See Editors' Note, p. 229.

² See document No. 260, footnote 8.

³ See League of Nations: *Official Journal*, September 1934, pp. 1151-1159.

And to the report dated January 15,⁴ 1935, whereby the Plebiscite Commission had informed the Council of the result of the plebiscite which was held on January 13, 1935,

And to the undertakings entered into by Germany and France,
The Council,

1. Decides in favour of union with Germany of the whole of the Territory of the Saar Basin, as defined in Article 48 of the Treaty of Versailles,⁵ under the conditions resulting from that Treaty and from the special undertakings entered into in connexion with the plebiscite.

2. Fixes March 1, 1935, as the date for the re-establishment of Germany in the government of the Territory of the Saar Basin.

3. Instructs its Committee to decide, in consultation with the French Government, the German Government, and the Governing Commission of the Saar Territory, upon the arrangements necessary for the change of régime in the Territory and upon the manner in which the undertakings mentioned above shall be carried out. Should these arrangements not have been decided upon by February 15, 1935, the Committee will submit proposals to the Council, which will take the necessary decisions.

With reference to paragraph 3 of the above draft resolution, the Committee requests the German Government and the French Government kindly to confirm that, should the arrangements therein cited not be decided in agreement with the interested parties by February 15, 1935, they agree, as from the present, to accept the decisions which the Council will take in this respect.

Geneva, January 16, 1935."⁶

In the conversation on this text Herr Krauel expressed serious doubts as to whether the formula would be acceptable to the German Government, as this would give *carte blanche* to the Council. The situation was the same as in May when the German Government also rejected a similar formula.⁷ Signor Biancheri replied that the French attached the greatest importance precisely to this part of the Council's resolution; without it, a determination of the date for reintegration would not be possible. Biancheri thought he could advise us to accept too, since the Committee of Three as well as the Council were involved.

In effect, as Herr Krauel remarked, the fundamental importance of the powers desired for the Council lay in the demilitarization question. In all other matters it should be possible to reach agreement, whereby it will naturally have to be borne in mind that the formula is couched in quite general terms, that is to say, it will also hold good for questions of reintegration relevant to the mines, the currency, etc.

⁴ See Editors' Note, p. 810.

⁵ See Editors' Note, p. 229.

⁶ The passage in quotation marks is in French in the original.

⁷ See vol. II of this Series.

The Council meeting is scheduled for tomorrow afternoon, which means we shall have until tomorrow midday for our statement. Should we accept the text, the agreement requested of us in the final paragraph would have to be communicated to Baron Aloisi by telegram tomorrow.

With regard to the declaration of principle which Herr Krauel made this morning⁸ on the demilitarization question, M. Laval has informed the Italians that he is satisfied with the German declaration but will, nevertheless, send a letter to Aloisi stating that he has taken note of the German Government's oral declaration.⁹

With regard to the negotiations on both the familiar complexes of questions M. Rueff¹⁰ has sent word through the Italians that the French are prepared to negotiate either in Paris or in Berlin. This we already know from Paris. Rueff has expressed the wish to have a fresh conversation with Herr Berger as soon as possible, if at all possible in Geneva; one day would suffice for the conversation. Regarding the negotiations on reintegration, the Italians are quite agreeable to Rome. They suggest the date of January 28, 1935. In the French view, with which the Italians agree, the questions of the mines and railways should really be deliberated in the Saar itself. The preparatory discussions could start at once.

On the question of the date for reintegration, I pointed out further to Herr Krauel, in accordance with a conversation I had with Herr Berger, that a postponement of the date from February 15 to March 1 would probably cause considerable difficulties concerning the currency question and thus regarding payment of the repurchase price of the mines. As was known, it had been agreed with the French to introduce German currency eight days before reintegration and at the same time to readjust the customs frontier. For this purpose it had so far been assumed that reintegration would take effect on February 15. If there was now going to be a postponement until March 1, the people who intended to take their francs out of the Saar would have considerably more time. The extension of the time-limit therefore ran counter both to our and to French interests. Herr Krauel will reiterate these points.

VOIGT

⁸ See document No. 443.

⁹ See document No. 450.

¹⁰ A member of the French delegation at the Rome negotiations.

No. 445

9102/E640390-91

*The Ambassador in Great Britain to the Foreign Ministry*Airgram en clair¹

No. 22 of January 17

LONDON, January 17, 1935.

• Received January 18—5 p.m.

III E 148.

The Marquess of Lothian, a left-wing Liberal peer, who is known to the Foreign Ministry, and who, as will be remembered, under his family name of Philip Kerr, played a political role as private secretary to Lloyd George, intends to stay in Berlin, where he is to attend a meeting of the Rhodes Scholarship Committee,² from Friday the 25th until Tuesday the 29th of January.

From the 26th of January Lord Lothian will be accompanied by Mr. Conwell-Evans,³ who is also known in Germany from the time when he taught at the University of Königsberg. The Reich Commissioner for Disarmament,⁴ who, during his last stay in London, met Lord Lothian through Conwell-Evans and with whom the latter will also be staying, is informed about the visit and is anxious to arrange for Lord Lothian to meet leading German political personalities on Monday the 28th and Tuesday the 29th of January.

Lord Lothian attaches special importance to seeing the Chancellor, the Foreign Minister and, if possible, the Reichswehr Minister.⁵ In view of the fact that his interpreter, Conwell-Evans, is not arriving until the Saturday, he proposes to reserve Friday January 25th for a visit to the Foreign Minister. He would like if possible to keep Saturday free for the Rhodes Committee meetings and to make Monday and Tuesday available for meeting the Chancellor and other eminent persons. Lord Lothian is among the most highly influential non-official personalities in England and is without doubt the most important non-official Englishman who has so far asked to be received by the Chancellor. He is favourably inclined towards Germany and wishes to contribute to promoting better understanding between Germany and England. I would recommend most urgently that he be accorded the audiences requested and that, in particular, the Chancellor should receive him personally.

¹ The document here printed is headed "cipher telegram (secret)" but bears a marginal note: "Sent en clair by air courier to save expense".

² The Rhodes Scholarships Selection Committees were composed of nationals of the country concerned, including a number of former Rhodes Scholars. The Chairman of the German Committee was Dr. Schmidt-Ott. Lord Lothian attended the meeting in his capacity of Secretary to the Rhodes Trust.

³ T. P. Conwell-Evans, a member of the Anglo-German Society.

⁴ i.e., Ribbentrop, who visited London Nov. 9-27. See also document No. 333.

⁵ General Werner von Blomberg.

As he has just told me at luncheon, which he and Conwell-Evans had with me, he spent a long time with Sir John Simon yesterday informing him of the plans for his trip and obtaining information about the present situation. The Foreign Secretary asked Lord Lothian, on his return, which is to be shortly before the arrival in London of the French Ministers,⁶ to give him a report on his Berlin impressions. Lord Lothian emphasized, however, that he was not coming to Berlin as an emissary of any sort, but purely as a private person seeking information.

I should be grateful for information as to whether Lord Lothian can count on being received as requested.⁷

HOESCH

⁶ See documents No. 479, footnote 1, and No. 483.

⁷ In a communication of Jan. 22 (5740/H031898) Ministerialrat Dr. Thomsen, of the Reich Chancellery, informed the Foreign Minister that, after submission of the document here printed, Hitler had fixed the reception of Lord Lothian for noon on Jan. 29 and that he requested Neurath to be present. A handwritten marginal note on the draft of this communication (7704/E548703) reads: "The reception of the Marquess of Lothian took place on the 29th of this month in the presence of Minister Hess, Herr v. Ribbentrop and Mr. Conwell-Evans (as interpreter). To be filed. Th[omsen], Jan. 30." No other record of this reception has been found; for the record of a conversation between Lord Lothian and Blomberg, Hess, Ribbentrop and Haushofer, see document No. 468. An article by Lord Lothian entitled "Germany and France" was published in two parts in *The Times* of Jan. 31 and Feb. 1.

No. 446

7467/H181675-79

The Foreign Minister to the Ambassadors in Great Britain, France, Italy, the Soviet Union, Poland, the United States and to the Minister in Switzerland

PERSONAL AND STRICTLY CONFIDENTIAL BERLIN, January 17, 1935.
e.o. II Abr. 177.

Supplementary to current instructions and information I would briefly give you some details on the official view of the acute political questions of the moment, in order to direct you on language to be held and to make observation and therefore reporting easier.

There is nothing to be said on the Saar question, since the most important matter will have been decided by the time this reaches you. It is typical of the French that they should have wished to spoil our success and the ensuing *détente* by an attempt to introduce special demilitarization measures in the Saar Territory¹ and to place the Territory under special supervision by the League of Nations. For instance, in the entire Rhineland we are constructing *Autobahnen*, and the Arbeitsdienst, the SA and the SS are going about their tasks; and all this would be forbidden in the Saar territory.

¹ See documents Nos. 428, 441 and 450.

On the day after the Saar decision the Rome Protocol of January 7 was communicated to us with a request for a statement of our attitude.² We also received the French reply³ to our memorandum on the Eastern Pact.⁴ Finally, it is known that it is everywhere desired to involve us once more in disarmament negotiations, while the other Great Powers have in mind as their final aim the return of Germany to the League of Nations.

Concerning the Danubian Pact,⁵ which, owing to its origin, is wrongly called the Austrian Pact, it has now been decided that we are prepared to enter into an exchange of views. We shall make enquiries and reservations, chiefly in order to prevent the Pact from having an unfair effect and to make it impossible for the basic concepts of the Pact to be frustrated by separate agreements. Our experiences at Locarno and Lausanne, when the other Powers informed us, after we had signed, that they had simultaneously concluded separate agreements without us (and against us), must not be repeated. Instructions on how the draft of the Danubian Pact is to be regarded will follow.⁶ It should be noted that Poland is favourably inclined towards this agreement, but will make her attitude dependent upon Hungary's concurrence.⁷

The French reply to our memorandum on the Eastern Pact advances hardly any new points of view and cannot materially affect our attitude. The Polish attitude, too, remains negative.⁸ If agreement should be reached on the Danubian Pact, it is to be expected that attempts will be made to make the Eastern Pact resemble the Danubian Pact in system and substance. Here, too, the reservation regarding separate arrangements which might alter the character of the agreement holds good. But above all, since France has kept us waiting for four months for an answer, we are in no particular hurry to continue the discussion.

In the disarmament question the situation has fundamentally altered in the last twelve months. All the other States have increased their armaments, if only by prolonging the period of service, and several States have even been feverishly active in the sphere of air armaments. Another new factor is the political and also military *rapprochement* between the Soviet Union and France. In these circumstances there can no longer be any question of returning to the British and Italian

² The result of the Saar plebiscite was announced on Jan. 15. The text of the Rome Agreements was communicated to the German Government by the French and Italian Ambassadors on Jan. 16. See document No. 439 and footnotes 1 and 2 thereto.

³ See document No. 440, enclosure.

⁴ See document No. 200.

⁵ i.e., the provisions in the Rome Agreements which proposed a declaration on non-intervention in internal affairs, to be signed initially by Italy, Germany, Hungary, Czechoslovakia, Yugoslavia and Austria, and to which France, Poland and Rumania would be able to adhere later. See documents Nos. 408 and 439.

⁶ See document No. 460.

⁷ See documents No. 429 and No. 530 with footnote 7 thereto.

⁸ See document No. 226, enclosure.

proposals of 1934.⁹ The foundation on which they were based has now shifted completely. The statements on the limitation of armaments which we made to Eden at the beginning of 1934 are no longer in any way binding. We are still prepared to take part in a convention for the limitation of armaments or for disarmament, but only on the basis of full equality of rights. As we cannot, after the experiences of recent years, and especially of the last twelve months, seriously count upon the other Powers to disarm or even to limit their armaments, there can be no question of an armaments convention in which the state of the armaments of the participants is listed and regulated. The only convention in keeping with the facts would be one which limited or forbade internationally the use of certain offensive weapons (such as poison gases and the like), or confined their use to the actual battle zone, thus, for instance, only allowing the use of bomber aircraft in the theatre of war and to a depth of some fifteen kilometres behind it. Should it prove possible to come to an agreement on certain kinds of arms, we are prepared to take part in it on condition that it is put into effect within six months and uniformly by all the participants in the treaty. Another condition would be that all the Great Powers and the smaller European States would have to participate in the convention. Finally, I would once more emphatically point out that, in view of the present state of affairs, there can be no question of supplying any information whatever on the state of German armaments to foreign Powers.

As regards the League of Nations, the British in particular are pressing us to revise our attitude. We know, however, that the Italians and the French and many other States, amongst them many of the so-called neutral States, also desire our return to Geneva. Somehow the mistaken idea has arisen that our "prejudices" against the League of Nations are disappearing, and consequently the Führer's statement in his broadcast speech of the fifteenth of this month¹⁰ about our readiness for international cooperation has, in some circles, been wrongly taken to mean that we are considering returning to the League of Nations. This assumption is completely erroneous. We have no thought of returning to Geneva, where the scales are always weighted and where we have no prospect of effectively representing our interests. Through the French system of alliances and through the Geneva practice, which has never entirely freed itself from its starting-point, the Paris Peace Conference, the constitution of the League of Nations has been corrupted, and it cannot be turned into an instrument fairly

⁹ See document No. 4, footnotes 4 and 5.

¹⁰ i.e., after the Saar plebiscite. He was reported in the press of Jan. 16 as saying *inter alia*: "Great and inflexible as is our resolve to achieve and secure equal rights for Germany, we are just as ready not to withhold ourselves from those tasks which are necessary to produce a genuine solidarity of the nations in face of the present dangers and needs."

serving the interests of the peoples by means of a few minor alterations of procedure or of the Covenant. Nor does the future of the League of Nations interest us much. It would be wrong to speak of hostility towards the Geneva institution. We are only made to speak in the above negative sense by people who try to persuade us to return to the League of Nations. In our conviction the pacification of Europe could be effectively carried out by other means than that of the Geneva machinery. If pacts and treaties are necessary for this purpose, we prefer bilateral ones for the simple reason that these can be more closely adjusted to the requirements of each case and are more effective than multilateral pacts, which we do not refuse in principle, but which we regard as less practical.

The above is intended to outline and, on some points, to add supplementary detail to the picture which the current instructions and information provide.

Yours etc.,

FREIHERR VON NEURATH

No. 447

3058/609952

Memorandum by the State Secretary

CONFIDENTIAL

BERLIN, January 17, 1935.

[e.o. II SG.705.]¹

The French Ambassador rang me up at one o'clock this afternoon to tell me that pursuant to his promise of yesterday² he had telephoned Geneva and had also sent a telegram there, in order to draw Laval's attention to the dangers of discussing the demilitarization of the Saar. He enquired how matters stood at present and I explained to him that we could not give our approval to the competence of the Council being extended and that the concessions we had made hitherto would have to suffice. Should the French wish to have more precise assurances, a diplomatic conversation would not be out of the question. The discussion of special prohibitions for the Saar as they were apparently being suggested, such as a ban on the SA, the Labour Service, etc. in the Saar while there was no objection to them in the rest of the Rhineland, could never be considered. The Ambassador again suggested that Consul Krauel be instructed to call on Laval. He then pointed out at length that the press ought not to display unnecessary agitation. There would always be differences of opinion with France and other countries. The press should, however, avoid dramatizing and exaggerating them as otherwise this would give the impression in France that

¹ Taken from the working copy (7954/E574421).

² See document No. 441.

we had become particularly stubborn or arrogant after our success in the Saar. Since the persons concerned on both sides were reasonable and ready for an understanding, the present difficulties could undoubtedly be overcome without any need for press agitation.

BÜLOW

No. 448

3058/609948-51

Memorandum by the State Secretary

BERLIN, January 17, 1935.

[e.o. II SG.691.]¹

The French Ambassador called on me at a quarter past five this afternoon in order to make the following statement and ask for our views:

He had reported my declaration of yesterday on the demilitarization of the Saar² to Geneva and the French Government had taken note of it, namely that the Saar constituted part of the demilitarized zone and would be treated accordingly and that, amongst other things, this meant in effect that the number of airfields would not be multiplied and the strength of the police would not be increased. The French Government, who welcomed this declaration, for their part would like to make a conciliatory gesture and would not insist on approaching the League of Nations Council in the matter of demilitarization. The pre-condition for this was, however, that we state our readiness to enter into German-French diplomatic negotiations which should be begun in Berlin as soon as possible. The Ambassador explained this counter condition in the sense that a discussion should be held with us, together with experts (military), as to what our intentions were with regard to the organization of the Labour Service, the SA, the SS, etc. in the Saar. Apparently it was feared that, though we would keep to the letter of the treaty, we might evade it by massing the Labour Service and political organizations in this territory.

As far as the French Government's wish for the demolition of military installations was concerned, we apparently had mistaken ideas as to its importance and extent. For the moment the French Government were prepared, provided an understanding was reached on the aforementioned basis, not to demand that we carry out any demolition whatsoever after the reintegration of the Saar. They reserved the right, however, to get in touch with the Governing Commission at once in order to have several military installations removed from the

¹ Taken from the working copy (7954/E574379-82).

² See document No. 441.

railways; that is to say, the removal and shortening of some ramps which had been constructed merely for the purpose of a quick military concentration of troops and the removal of some links between railway lines which had also been put in solely for military purposes and were nowhere as much as a kilometre in length but consisted only of stretches of 30 to 50 metres. In this connexion he would merely ask us to use our influence so that this would cause no disturbances in the Saar.

I told the Ambassador that what I had told him yesterday about the Saar belonging to the demilitarized zone and the information I had given him about our intentions with regard to airfields and the police, was an official declaration by the German Government. So as to avoid misunderstandings, I explained to him again our intentions regarding the administration of the police in the Saar and made a reservation as to the number of airfields, since we did not know if and how many airfields belonging to private clubs there were apart from the Saarbrücken airport; in any case, an increase was not contemplated. We were ready to enter at any time, even at once, into German-French negotiations if they would in fact serve the purpose of dispelling French anxieties. As far as demolition was concerned, we had had some sad experiences during the evacuation of the Rhineland. Former military ramps and other installations, which the population had been using for civilian purposes, had been demolished. I could give an assurance regarding the attitude of the people to the demolition of unimportant, originally military, installations, only if the Governing Commission acted with great tact and in no circumstances had any installations removed which had in some way been put to commercial use.

Through the telephone conversation with Geneva³ it is known that, before sending the French Ambassador, Laval had already withdrawn his letter to the Committee of Three (Aloisi),⁴ in which he demanded that the provisions for the demilitarization of the Saar be made subject to the competence of the League of Nations Council and that this be acknowledged by Germany. For this reason and in view of the conversation with the French Ambassador, the request made by the French Government to the Committee of Three (Massigli document)⁵ on January 14, which came to our notice, has become invalid.

At 6:15 p.m. the Ambassador rang up again to say that he had transmitted the substance of our conversation to Geneva. The French delegation agreed to the arrangement. There remained one last point, however, which was still causing difficulties. The French Delegation (Massigli) took exception to the Council's competence being limited to Paragraphs 35 and 39.⁶ There could be no objection to Paragraph 35

³ No record of such a telephone conversation has been found.

⁴ See document No. 450 and footnote 4 thereto.

⁵ See document No. 441, footnote 2.

⁶ See Editors' Note, p. 229.

but Paragraph 39 applied only to the organization of the new régime, that is to say, not to the settlement of questions arising from the past. Were we really rejecting the Council's arbitration for questions which had not yet been solved in Rome and on which an understanding was not reached? After a conversation with Ministerialdirektor Gaus I told the Ambassador that we did not understand his objections or rather those of his delegation. We attached importance to limiting the competence of the Council to the provisions of the Versailles Treaty. Within the framework of the Versailles Treaty we gave the League of Nations Council complete freedom. We could not, however, agree to the competence of the Council being extended by the unlimited authority conferred by inadequate drafting.

The Ambassador said that he would immediately ring up Geneva again, where it was desired to finish today, and that he might get in touch with me again in this matter.

At 6:30 p.m. the Ambassador rang up again. He had spoken to Massigli, who was now searching for a fresh solution to the problem of Paragraphs 35 and 39 on the lines of explicitly mentioning the Rome agreements. Massigli had said that he had no doubt that an acceptable formula would be found and that he need not telephone Berlin again.

BÜLOW

No. 449

7954/E574368-70

Minute by an Official of Department II

BERLIN, January 17, 1935.

zu II SG.645.¹

In pursuance of a discussion held this morning, in which the Foreign Minister, the State Secretary, Ministerialdirektor Köpke, Ministerialdirektor Gaus, Senior Counsellor von Renthe-Fink and the undersigned took part, Herr Gaus has given Herr Krauel the following information with regard to yesterday's draft:²

We agree to the preamble and paragraphs 1 and 2 of the draft; in the case of paragraph 2 our approval is to be regarded as a considerable concession. On the other hand, there are objections to paragraph 3. The wording would amount to allowing the Council to do what it liked. The mention of "the manner of execution [*modalités d'exécution*]" could even furnish the pretext for backing out of the Rome agreements and possibly also for cancelling the date of reintegration.

¹ Document No. 444.

² See document No. 444.

Naturally, we cannot accept such consequences which, doubtless, were not intended by the authors. The formula must therefore be put into a form which will take account of these aspects. We are prepared, and this means a substantial concession, to give the Council authority to take decisions in the case of non-agreement but only within the limits of its competence, which must be particularly stressed. This can best be done by quoting Paragraphs 35 and 39 of the Saar Statute.³ Pursuant to these, the following amendments should be made: (1) In paragraph 3, sub-paragraph 1, the concluding words "and upon the manner in which the undertakings mentioned above shall be carried out"⁴ should be deleted and the words "in conformity with Paragraphs 35 and 39" substituted. (2) Sub-paragraph 2 of paragraph 3 must be brought into line with paragraph 1. Instead of "proposals to the Council which will take the necessary decisions" this should read "its proposals concerning the arrangements mentioned above etc." (3) Accordingly, a reference to paragraph 3 should also be included in the final paragraph by inserting the words "in conformity with paragraph 3" at the end.

Herr Krauel, who pointed out that it was not certain yet whether the question could be dealt with this afternoon (it has not been put on the agenda for the moment but could be added if we reach agreement this morning), indicated that we would naturally be glad if the Council could still pass its resolution today.

Herr Krauel stated further that he had called this morning on Señor López Oliván, the Spanish member of the Committee of Three, who had advised him that we should also try to exert influence on Eden. With reference to this I informed Herr von Trützschler⁵ in a subsequent telephone conversation, after having consulted with the State Secretary, that Herr Krauel was authorized to go and see Eden on behalf of the Foreign Minister and to explain our views to him; this matter could not be settled through the Ambassador here, and, moreover, the State Secretary had already twice explained our views to the British Ambassador.⁶

VOIGT

³ See Editors' Note, p. 229.

⁴ This and the following quotations are in French in the original.

⁵ Heinz Trützschler von Falkenstein, an official of the German Consulate at Geneva.

⁶ In a minute of Jan. 16 (7954/E574359) Bülow noted that he had had an opportunity during the previous evening to explain the German viewpoint to the British Ambassador. No other record has been found.

No. 450

7954/E574371-73

Memorandum by the Director of Department V

BERLIN, January 17, 1935.

zu II SG.645.¹

At about 12:30 p.m. Herr Krauel rang me up to inform me of the outcome of the conversations he has had on the strength of the instructions² which were telephoned through to him this morning.

The Italians and also the Frenchman (Fouques Duparc)³ who took part in the meeting would be prepared to accept the actual amendments requested by us. In return, however, they asked for a declaration from us that the details regarding the demilitarization of the Saar belonged to those questions which, within the meaning of the draft resolution, were to be settled with the Committee of Three and, if necessary, decided by the Council by February 15. The other side admitted that the Council's competence did not extend to these matters without a specific German declaration and it was for this reason that they insisted on such a specific declaration.

Herr Krauel took the opportunity to add that this French demand had already been quite clearly defined in the letter which Laval had sent to Aloisi.⁴ After the introductory passages the letter continued as follows:

"I should be obliged if you would kindly inform the German Government that I take note of their declaration" (that is of the oral statement made yesterday by Herr Krauel⁵ on the inclusion of the Saar Territory in the demilitarized zone) "on the understanding that the consequences of the principle which is therein formulated will be precisely defined by the Committee of the Council in accordance with the procedure provided for in paragraph 3 of the resolution deciding the union of the Territory of the Saar with Germany."⁶

I told Herr Krauel that if the other side themselves admitted that the Council was not in fact competent to deal with the demilitarization question in connexion with the Saar question, it was surely quite unreasonable to expect us now to give the Council fresh powers in return for the reintegration of the Saar. I considered this fresh demand from the other side extremely serious and could not imagine that it

¹ Document No. 444.

² See document No. 442.

³ Jacques Fouques Duparc, acting assistant *chef de cabinet* of the French Foreign Ministry.

⁴ According to document No. 448 this letter was subsequently withdrawn. No record other than the passage quoted here has been found.

⁵ See document No. 443.

⁶ The passages in quotation marks are in French in the original.

would be met here. Nevertheless, in view of the importance of the matter I should naturally have to obtain a decision from the State Secretary and the Foreign Minister.

After reporting to the State Secretary and the Foreign Minister I informed Herr Krauel, as instructed, at 1:15 p.m. that he should take the following position *vis-à-vis* the other side:

(1) At the very first moment when the demilitarization question arose, the German Government made a loyal declaration without reservation that they too were of the opinion that the Saar came under the demilitarized zone. They showed great conciliation by this declaration which, in fact, they need not have made.

(2) The German Government are of the opinion that discussion of the demilitarization of the Saar in detail does not come within the competence of the Council, nor, in particular, is it subject to the powers and obligations regarding the reintegration of the Saar devolving upon the Council under the Versailles Treaty. This the other side have themselves indeed acknowledged.

(3) The German Government refuse to give the Council fresh powers for this purpose. The rights and obligations which devolve upon the Council after the plebiscite can be quite clearly seen from the Versailles Treaty.

I asked Herr Krauel at the same time to call on Mr. Eden on behalf of the Foreign Minister, to explain the situation to Eden and to point out how impossible is the demand made upon us.

GAUS

No. 451

7954/E574383

Memorandum by an Official of Department II

BERLIN, January 17, 1935.
zu II SG.691.¹

Herr Krauel has been informed by Herr Gaus of the conversation¹ between the State Secretary and the French Ambassador.

At 7:15 p.m. Herr Krauel informed me over the telephone that the formula had turned out to be on the lines of the aforementioned discussions. The Council had then assembled for its session and would pass the resolution today. Paragraph 3 will, therefore, remain as it was in the previous version (II SG.645)² with the exception of the second half of the second sentence. This sentence now reads:

¹ See document No. 448.

² Document No. 444.

"Should these arrangements not have been decided upon by February 15, 1935, the Committee will submit its proposals to the Council, which will take the necessary decisions in conformity with Paragraphs 35 and 39 of the Annex to Article 50 of the Treaty of Versailles and with the special undertakings entered into by the two Governments on the occasion of the plebiscite."³

The next paragraph, "With reference to . . ." ³ is to be left unchanged, thus it is not to contain the addition "in conformity with paragraph 3" ³ proposed by us this morning.⁴ Herr Krauel will endeavour to have this addition considered in the correspondence which will now have to be carried on with the Committee of Three, but he does not think that he will be successful; the point is merely of formal significance.⁵

V[OIGT]

³ In French in the original.

⁴ See document No. 449.

⁵ For the text of the resolution as finally adopted by the Council see League of Nations: *Official Journal*, February 1935, p. 138.

No. 452

7954/E574418-20

Unsigned Memorandum

BERLIN, January 18, 1935.

zu II SG.690.¹

In today's ministerial meeting Reich Minister Dr. Frick said in his opening statement that the purpose of the draft bill was the reintegration of the Saar into the German administration. He had previously been of the opinion that the Prussian part of the Saar Territory should be reintegrated with Prussia and the Bavarian part with Bavaria. The Führer did not wish, however, to restore the power of the Länder in this way; the Saar Territory was to be preserved intact. Naturally, as the Reich Foreign Minister had already pointed out,² to keep the Saar as it was for any length of time would constitute a danger to foreign policy. Indeed, only an interim period was contemplated and that would have to be as short as possible. The reintegration of the Saar would therefore be an incentive for expediting the reorganization of the Reich. The purpose was to unite the Saar with other territories and turn it into a fairly large *Reichsgau*. From the Party aspect, the Saar would immediately be united with the Palatinate. It was already

¹ Not printed (7954/E574398-411); this was a circular from Pfundtner, the State Secretary of the Reich Ministry of the Interior, dated Jan. 17, calling a meeting of Ministers for Jan. 18 and enclosing a preliminary draft for a "Law for the provisional administration of the Saar Territory".

² See document No. 415.

clear from this what form the future *Reichsgau* ought to take. Especially in view of the fact that a frontier area was involved, a territory as large and viable as possible would have to be created which would, above all, have to comprise not only areas on the left bank of the Rhine but which would also have to stretch across the Rhine. Perhaps a structure somewhat similar to that of the former Electoral Palatinate could be created. Reich Minister Frick further remarked that the subject of the present draft was merely the return of the Saar to German administration. Special laws would have to be passed with regard to customs and currency. Moreover, he would like to say that it was intended also to allocate a number of seats in the Reichstag to the Saar Territory, that is to say, eight; this was proportionate to the number of votes cast for Germany in the plebiscite; the members of the Reichstag would be appointed by the Führer, upon nomination by the Reich Minister of the Interior in consultation with the Reich Commissar for the reintegration of the Saar.

Dr. Popitz, the Prussian Finance Minister, agreed to the principle underlying the draft, whereby the Saar was not to be returned to Prussian administration. Nevertheless, he thought it important to take this opportunity of drawing attention to the great sacrifices which Prussia had made in the past in the interests of regaining the Saar Territory for Germany; in the field of finance they amounted since the inflation to 55.5 million in various kinds of payments, 20.6 million in loans and 8.1 million in guarantees. He asked that the services rendered by Prussia be borne in mind when a suitable occasion arose; naturally also the services rendered by Bavaria. The Reich Foreign Minister hereupon remarked, with the approval of the other heads of departments, that it would be wiser if this reminder were not brought up until after reintegration.

The Prussian Finance Minister and Herr von Krosigk, the Reich Finance Minister, agreed that there were difficult problems in the field of finance (Reich and Land assets, regular payments, financial compositions) in respect of which special arrangements would have to be made between the finance departments. At this stage the Reich Finance Minister described the Saar Territory as acquiring under the bill the status of a Reichsland, which was no longer a Land but not yet a Gau.

Then followed a cursory discussion of the separate articles. Several amendments were decided upon. Other than this, the discussion of the details was left to a meeting of the competent officials which took place this afternoon.

I attended this meeting of the competent officials but did not stay quite to the end. It produced a number of queries, especially with regard to the competence of the Reich Commissar and the question as to whether in certain spheres of administration the Saar was to be

attached to the former central authorities or was to receive authorities of its own similar to these. Several questions were left undecided. A further final meeting of the competent officials on certain outstanding items is to be held at noon tomorrow.

[VOIGT]³

³ A minute by Voigt on the document cited in footnote 1 above, stating that he attended the morning conference with Neurath and Ritter but was not present during the entire afternoon meeting, identifies him as the author of the document here printed.

No. 453

7825/E567576-79

*Memorandum by the State Secretary*¹

BERLIN, January 19, 1935.

II It. 136.

I send you herewith, as a basis for discussion, a few notes on my ideas for our reply to the Rome memorandum.² I have only roughly outlined these ideas, which, of course, cannot be expressed in this crude form. A great many of our objections can and must be brought up for discussion in the form of questions. The main difficulty seems to me to be that while fully emphasizing our point of view, our reply should not appear so negative as to cause the others to abandon further negotiations. It therefore appears to me that a final section containing counter proposals would not be out of place, and this section would have to be specially developed.

BÜLOW

¹ The memorandum was addressed to Köpke and Gaus.

² See also document No. 438.

[Enclosure]

I. The idea of pacifying Central Europe, and particularly the Danube region, by means of a pact of non-intervention and a consultative pact is well worth considering. We are prepared for an exchange of views.

The basis for these discussions has, however, already been virtually destroyed by the fact that two Powers (France, Italy) have assumed, by means of a special consultative pact, a mandate over one part of the region (Austria).

II. The guarantee of independence and integrity is to be based on

- (1) renunciation of political intervention,
- (2) suppression of terrorist organizations, conspiracies and dangerous propaganda.

With regard to (1), this is welcome, but indicates a breach with the

past and its methods. For example, Austria: loans with political conditions attached, which went beyond the Peace Treaty, as established by The Hague.³ The beginning of the present tension in domestic politics in Austria was the opposition of nationalist circles to the political conditions of the Lausanne Loan.⁴ Numerous (?) instances of diplomatic intervention in Austrian domestic affairs. Biased treaties, such as the Rome Pact of 1934.⁵

The guarantee of independence presupposes, by definition, recognition of the right of self-determination.

With regard to (2), improved international cooperation between the police could be organized, the passport system reformed, and fresh regulations regarding the right of asylum introduced in order to prevent incidents such as that at Marseilles. In particular, international control of anarchism and communism.

This, however, will not suffice, if, with the cooperation or toleration of foreign Governments, the press is bought up, defence associations (Heimwehr) and parties (Sozi)⁶ financed and armed, Ministers (Starhemberg) bribed, etc.

The reaction of the population to events in the spheres of politics, religion, economics, the arts, and so on, in countries closely related by race or blood, cannot be suppressed. Neither can one refrain from making proclamations or statements which, though they may inconvenience other Governments, are not primarily addressed to these Governments, but to one's own country.

Furthermore, any obligation to support a Government against the population of their own country (Metternich policy), should be declined (Reich Chancellor).

On the other hand, there is a wide field of activity in the sphere of the press: Prohibition of attacks, etc., on the Heads of foreign States, or on foreign Governments or institutions. Control of *émigré* periodicals, and the like.

Subsidiary agreements by separate parties to the treaty should only be concluded if public and approved by all the parties.

³ On Sept. 5, 1931, the Permanent Court of International Justice gave as its advisory opinion by a majority of eight to seven that the project of a German-Austrian Customs Union was incompatible with obligations undertaken by Austria in the Geneva Protocol No. I of Oct. 4, 1922. See *Documents on International Affairs 1931* (London, 1932), pp. 8-16. In the protocol the Austrian Government undertook "not to alienate its independence" and "to abstain from any negotiation or from any economic or financial engagement calculated directly or indirectly to compromise this independence" as a prerequisite for the receipt of an International Loan. For the text of the Protocols of Oct. 4, 1922, see League of Nations: *Treaty Series*, vol. xii, pp. 385-411.

⁴ The International Loan to Austria, negotiated in 1932-1933, was granted on condition that Austria should reaffirm the terms of the Geneva Protocol No. I of Oct. 4, 1922, and that the proceeds of the Loan should be used in accordance with the recommendations of a League of Nations Commissioner and a League adviser to the Austrian National Bank. See League of Nations: *Treaty Series*, vol. cxxxv, pp. 285-299.

⁵ Presumably a reference to the Rome Protocols signed by Italy, Austria and Hungary on Mar. 17, 1934; see document No. 10, footnote 8.

⁶ i.e., Socialist.

III. Counter-proposals:

(1) Independence for both Government and people to determine their own destiny, this is to say the right of self-determination at home and abroad; revision of political obligations according to these principles.

Reservation in respect of peaceful revision of all agreements as well as frontiers.

(2) International police convention concerning anarchists, censorship of the press, joint renunciation of the use of influence in matters of domestic politics, and of the smuggling of arms, etc.

(3) Signatories.

Particularly with regard to (2) it is not apparent why their number is so restricted. The exclusion of Switzerland is particularly regrettable; it will become a sanctuary for terrorists and propagandists. Neutral Switzerland's well-known objections to international political ties could be allowed for.

(4) The League of Nations has nothing to do with this.

(5) Consultative pact between the countries mainly concerned, including Britain, who has, after all, joined in two resolutions regarding Austria.

IV. Further action through diplomatic channels.

(Answer to Rome, Paris and Vienna.)

No. 454

6695/H102057-66

*Memorandum by the State Secretary*¹

BERLIN, January 23, 1934 [*sic*].¹
e.o. IV Ru. 279.

In the attached draft for the Cabinet, it has purposely not been stressed that we shall take no part whatever in any international negotiations before the question of equality of rights has finally been clarified internationally. We must remember that in this respect the situation has materially altered to our advantage since last autumn and that we must therefore conduct our conversations with others on this point somewhat differently than hitherto. We must take the view that we have now achieved the position of equality of rights once and for all and will not allow it to be tampered with. Therefore we need not, and must not, petition our opponents to acknowledge our

¹ The copy here printed is unsigned. A copy of the covering note, signed by Bülow and correctly dated Jan. 23, 1935, has been found in the files of the Rome Embassy (4680/E224590).

equality of rights. In so doing, we should be admitting that we still required such express acknowledgement, and that without it we would not feel that we were in the right. It will therefore be better for us in negotiations on the Danubian and Eastern Pacts no longer to mention the question of equality of rights to others. The other Powers will certainly approach us of their own accord with their stipulations about the armaments question; we have no occasion to speed this up and thus place ourselves, instead of them, in the rôle of petitioners.

[Enclosure]

DRAFT FOR AN EXPOSÉ BY THE FOREIGN MINISTER REGARDING THE
ROME AGREEMENTS AND THE STATE OF THE EASTERN PACT QUESTION

Once the Saar question has been settled, it is to be expected that the other Powers will bring up for decision the remaining major issues in foreign affairs. The three questions most important for us are the Danubian Pact proposed by Laval and Mussolini in Rome, the Eastern Pact and the armaments problem. I am concerned today with reviewing the position as regards the Danubian Pact and the Eastern Pact, and I will add some observations on our attitude to both these questions and on their relation to the armaments question.

I. DANUBIAN PACT

Shortly before the meeting between Mussolini and Laval, the French and Italian Governments informed us about the agreements which it was intended to make over the Danube Region. Only a few days ago the French and Italian Ambassadors officially communicated the text of the agreements to us and asked for our views on them.² Therefore there can be no question of Germany having taken any actual part in the Rome conversations. If the French and Italian Governments have announced that it was their intention not to confront us with a *fait accompli*, then this has remained an intention only.

The agreements provide for inviting Austria and her neighbours—except Switzerland—to conclude a mutual non-aggression pact. The pact, which France, Rumania and Poland are also to join later on, is to be based on the following principles: *No interference in the internal affairs of another contracting State and no fomenting or favouring of any movements for promoting by force an upheaval within another contracting State.* Very important is a second special pact already concluded, which is contained in the Rome agreements. In this pact, France and Italy agree to consult one another on the measures to be taken should there be a threat to the integrity or independence of Austria. Apart from Austria herself, such other States as wish to take part in the

² See documents Nos. 408 and 409.

proposed non-aggression pact are to be brought in to these consultations. This Austrian consultative pact is of importance in so far as it is already in force. Italy and France have thus, in a certain sense, claimed leadership in the Danubian region.

Many points in both pacts are obscure and require further clarification. Without doubt, however, both pacts are, as far as the Austrian problem is concerned, in intention directed against Germany, though it must not be forgotten that they are also directed against terrorist activities against Yugoslavia. The idea, originally pursued by France and the Little Entente, of a positive territorial guarantee has been dropped and the pacts have been limited to a negative undertaking of non-intervention. It is obvious that the consultative pact is expressly and exclusively designed for Austria, while the non-intervention pact encompasses relations between individual States and Austria as well as both Italo-Yugoslav relations and relations between Hungary and the Little Entente.

The Rome agreements have enabled France and Italy to reconcile their conflicting interests in the Danubian region, particularly with regard to Hungary and Yugoslavia. It may, moreover, be assumed with some certainty that, beyond the Danubian problems, they have also agreed on a common line for the impending discussions on major questions of international policy. It is certain that Britain will support the Italo-French proceedings without wishing herself to take any formal part in the agreements and is leaving it to others to pull the chestnuts out of the fire.

Assuming that Germany was a party to the projected non-intervention pact, then, as regards Austria for example, we should, from a purely formal point of view, only be pledging ourselves to do something which would in any case be a matter of course under the general principles of international law. The consequences in practice, however, would be that any action by Germany which a third party might construe as intervention in Austrian affairs would no longer be regarded as exclusively a matter for discussion between Germany and Austria, but could be made a matter for joint diplomatic *démarches* by all the States signatory to the Treaty.

II. EASTERN PACT

The second great international problem is that of the Eastern Pact. The way in which the plan for an Eastern pact was brought to our notice was that, first, in the summer of last year, the French Ambassador and shortly afterwards Litvinov orally informed us of the pact which Litvinov had proposed to M. Barthou.³ Shortly afterwards the

³ See vol. II of this Series, Berlin circular telegram of June 7 and memorandum by Neurath of June 13, 1934.

British Ambassador handed us an outline of the treaty.⁴ The plan provided for a treaty between Germany, Russia, Poland, Czechoslovakia, the [Baltic] Border States, and Finland with obligation to consult and to render mutual assistance, i.e., to render immediate military assistance in the event of warlike action being taken; further it provided for an agreement between France and Russia, under which France should guarantee the Eastern Pact and Russia the Treaty of Locarno. At the beginning of September we defined our attitude to the Eastern Pact in a Memorandum.⁵ We declared that in principle we saw no possibility of our joining in such an international treaty system as long as our equality of rights in the sphere of armaments was being placed in question by certain Powers; the same view also determined the question of Germany's future relations with the League of Nations. Apart from this, however, the structure of the Eastern Pact appears to us faulty and likely to entail the most serious complications. Germany, whose central position amidst heavily armed States compelled her to exercise particular caution, could not assume any obligations which would involve her in all possible cases of conflict with which she had not the slightest concern and which would probably turn her into a theatre of war. The obligation to allow the troops of any and every signatory to the treaty to pass through the country would be intolerable. There was no real need for the special guarantees by France and the Soviet Union provided for in the pact system, and we would in any case have to reject the idea of Russian troops on the Rhine or French troops on the Vistula defending us. For tactical reasons, however, we have not confined ourselves to this purely negative criticism, but, in keeping with the ideas often proclaimed by the Führer, we have made certain positive suggestions. In so doing we have emphasized that in general we prefer bilateral treaties but that we do not reject multilateral treaties; in these latter, however, the emphasis must not be on the obligation to render automatic military aid in the event of war, but on the non-aggression obligation and the obligation to consult imposed on the Powers concerned in a conflict.

On the question of the Eastern Pact we have been in touch with the Polish Government from the outset, since they, like us, are not favourably inclined towards the Pact. The Polish Government set forth their views in a Memorandum of last September⁶ in which they explained their own objections to the Pact. It is our impression that the Poles are mainly concerned that the German-Polish Agreement of January 1934,⁷ which is basic, should not be watered down and its effectiveness curtailed, that Poland has grave misgivings about being

⁴ See document No. 85.

⁵ Document No. 200.

⁶ See document No. 226.

⁷ Of Jan. 26; for the text see vol. II of this Series.

involved in conflicts between third parties and that she also declines to open her territory to the passage of foreign troops. Of the other Governments, the Czechoslovak Government, who are well known to follow obediently the French lead on all questions, have unreservedly approved the Eastern Pact.⁸ The Lithuanian Government have done the same, with, however, a reservation in respect of Vilna.⁹ The Finnish Government have let it be known that there can be no question of their participating,¹⁰ while the Latvian and Estonian Governments have declared that they are favourably inclined in principle to the idea of the Eastern Pact, but that they must reserve to themselves complete freedom of action.¹¹ The British Government, whilst themselves declining to take any part in the Franco-Russian pact project, nevertheless favour the plan and in this connexion have, at various times, endeavoured to use their influence in the different capitals to bring the Pact about.

The French were therefore faced with German and Polish disapproval. It is natural that the French Government should first have attempted to persuade the Poles to relinquish their disapproval in order to isolate Germany in hers. Therefore, in their reply¹² to the Polish *exposé*, the French Government went a considerable way to meet the Polish arguments, but without at all modifying the basic structure of their plan. According to information available here the Poles, however, are maintaining their disapproval, although, naturally, we are not absolutely sure of this. Although their attempt to incline Poland more favourably towards the Eastern Pact has failed, the French have recently displayed fresh activity, mainly due to strong Russian pressure. On January 15 the French Government defined their attitude¹³ to the German Memorandum. In diffuse polemical statements they have tried to refute the German arguments, but on every point they completely avoid meeting the substance of our arguments and have not removed a single one of the difficulties resulting for us from the projected pact.

III. OUR ATTITUDE

Such are the facts. We cannot fail to recognize that the two projects (the Danubian and Eastern Pact projects) confront us with grave decisions. In the case of both Pacts it is less a matter of their technical substance than of the political tendencies which they conceal. We are opposed by a united front in so far as the other Powers are

⁸ See document No. 33.

⁹ See document No. 131.

¹⁰ See vol. II of this Series, memorandum by Neurath of June 9, 1934.

¹¹ See documents Nos. 133 and 140.

¹² See document No. 379, enclosure.

¹³ See document No. 440.

unanimously determined to restrict our freedom of action and bring us back into an international combination before we have sufficiently developed our armaments. This course is obviously intended to lead, via the non-intervention pact and the Eastern Pact, to a convention limiting our possibilities for rearmament and then naturally on into the League of Nations. I believe that our policy on all these matters must be determined by the question of armaments which should have first place in our deliberations. The most important thing for us is to obtain scope to complete our armaments and we must subordinate all other problems of foreign policy to this end.

We must, therefore, act very cautiously on the question of both Pacts. If we adopt a purely negative attitude then we must reckon that the pressure, which even without this we can expect to be applied to us on the armaments question, will become heavier and more urgent. This is therefore not advisable. I would, however, consider it right to prolong the discussions on the pact questions as much as possible.

On the question of the non-intervention pact we could at first declare, in a quite general form, that in principle we were ready to exchange ideas, but at the same time we could put a number of counter questions to France and Italy. The replies would probably take some time, as France and Italy would first have to reach an understanding between themselves. Then we will see what happens. But we shall have to be careful that the discussion on the pact does not become too profound, so that the pact takes shape and acquires undesirable importance.

As regards the Eastern Pact, things are not quite so simple. For us to accept the Eastern Pact in the form in which it was proposed at the time by France and Russia and advocated by Britain, and in which it is still being proposed, would be quite out of the question. In my view it would make no difference should we find ourselves, as it is now becoming pretty apparent that we shall do, confronted with the alternatives of either an Eastern Pact, in which Germany takes part, or the conclusion of a direct Russo-French alliance. As the situation develops we must see whether we can find some way of placing as little strain as possible on the general position by our negative attitude. In so doing, of course, we must not ourselves hope that by consenting to the non-intervention pact we can avoid discussing the Eastern Pact. The Russians and the French have far too great an interest in putting us into the strait jacket of the Eastern Pact and securing for themselves the possibilities it affords against us.

Therefore if the Führer approves, I should like to proceed in the manner outlined above.¹⁴

¹⁴ The minutes of the Cabinet meeting on Jan. 24, 1935 (3598/796752-60), give no indication that the problems discussed in the present document were raised.

No. 455

7825/E567639

Minute by the Foreign Minister

BERLIN, January 24, 1935.

II It. 180.

With reference to our action regarding the Rome Pact, the Chancellor this morning said he agreed that we should recognize the principle of non-intervention and declare ourselves prepared to take part in discussions, but at the same time ask for certain questions to be clarified.

It is advisable to produce our first reply if possible before the London meeting on January 31.¹ v. N[EURATH]

¹ The reference is to the visit of Minister President Flandin and Foreign Minister Laval to London. See document No. 483.

No. 456

7893/E572092

Minute by the Foreign Minister[BERLIN], January 25 [*sic*—? 24], 1935.¹zu II M.174.²

The Reich Chancellor stated in today's meeting of the Cabinet³ that he refused to give his consent to *any* demolition of installations in the Saar Territory. N[EURATH]

¹ Bülow's initial on this document is dated Jan. 24; see also footnotes 2 and 3 below.

² A minute by Frohwein dated Jan. 24 (e.o. II M 174, 7893/E572091) notes the action taken to inform the German railway authorities of Hitler's decision, and that it was left to them to inform the appropriate quarter in Saarbrücken.

³ The minutes of this Cabinet meeting of Jan. 24 have been filmed as 3598/796752-60.

No. 457

8554/E598505-06

Memorandum by the Minister in Switzerland¹

BERNE, January 24, 1935.

zu II Sz. 126.²

Very hesitantly, and stressing his desire to avoid the appearance of

¹ The copy of this memorandum in the files of the German Legation in Berne (M62/M001753-54) is accompanied by the following note (M62/M001752): "I gave the attached memorandum today to Herr Barandon [Deputy Director of Department V], who was passing through, to take to Berlin. I asked Herr Barandon to give the memorandum to Herr Köpke and to add that its purpose was merely to ensure the participation of the Legation in case M. Dinichert's idea should be taken up again in any way. W[eizsäcker], Jan. 25."

² II Sz.126 is a handwritten minute by Renthe-Fink dated Jan. 31 (8554/E598504/1-2) which reads: "D[irector]: Previous papers are not available. Yesterday you stated

wishing to make any suggestions, Federal Councillor Motta today spoke about a conversation which had recently taken place between State Secretary von Bülow and M. Dinichert.³

M. Dinichert, he said, had taken the opportunity to express the idea that an authoritative statement by one of the highest German authorities on a suitable public occasion could dissipate all Swiss anxieties about pan-German encroachments. Herr von Bülow naturally replied that one would be more likely to call what was self-understood in question by solemnly proclaiming it.

At this I reminded Motta of what the Reich Ministers Freiherr von Neurath, Dr. Goebbels and Hess had already done in 1933⁴ and 1934⁵ on the lines of Dinichert's idea, and then spoke emphatically on how advantageous it would be if only, first of all, the language of the Swiss press were curbed. (For details of this see separate report.)⁶

As to the matter itself, it may be said that M. Dinichert was not exaggerating when he spoke about Swiss fears of Germany's alleged expansionist spirit. It would in fact be desirable for these anxieties to disappear once and for all.

I take it I am right in assuming that there should now be no sequel to the conversation between State Secretary von Bülow and M. Dinichert in the form of reassuring declarations to Switzerland. If it is now going to be the fashion for our neighbours to extract declarations of this sort from us, then their psychological effect, at any rate on Switzerland, will have to be carefully considered.

WEIZSÄCKER

your intention of submitting H[err] v. Weizsäcker's note to the St[ate] S[ecretary]. The participation of Switzerland in the non-intervention pact, which is desired by us, could perhaps be used as indicating that we have no expansionist designs whatsoever on Switzerland." Marginal note on this minute: "Registry II Switzerland. The Mussolini-Motta exchange of telegrams after Mussolini's accession to power, please. [Initial unidentified], Feb. 5." See also document No. 471, footnote 3.

³ See document No. 471.

⁴ For the statements made by Neurath and Goebbels to Motta at Geneva on Sept. 26, 1933, see vol. I of this Series, document No. 453.

⁵ Hess gave an interview to the representative of a Swiss newspaper on Jan. 6, 1934. This interview was subsequently reprinted under the title of *Rudolf Hess über Deutschlands Stellung zur Schweiz* (Munich, 1934) which has been filmed as M62/M001758-64.

⁶ Not found.

No. 458

9450/E666825

Memorandum by the Head of Referat Deutschland¹

BERLIN, January 25, 1935.

zu VI W 587.²

I regret that I have only just been informed of this matter, which

¹ This document, together with document No. 467 and the document cited in footnote 5 thereto, was found in a sealed envelope labelled "Out of date draft of a minute regarding papers of another department concerning exemptions from the application of the Aryan Laws" (9450/E666821).

² Not found. According to the Journal this was a memorandum by the Reich

comes within the exclusive province of Referat Deutschland, since the view taken by Herr Göring, by the Racial Policy Office [*Rassenpolitisches Amt*] and by the Foreign Minister have hitherto always determined the attitude of the Foreign Ministry to the racial question as well as to our policy regarding the Jews. The policy of giving consideration to foreign races and nationalities initiated at the departmental discussion on November 15, 1934,³ expressly excludes our policy regarding the Jews. On the contrary, it is intended to lead ultimately to the word "Jew" being substituted for the definition "non-Aryan"; on this the Foreign Ministry, the Reich Ministry of the Interior, which is in charge of the matter, and the Racial Policy Office are agreed.⁴ The aim is, therefore, to limit our racial policy to the Jews.

Concessions to Jews must not, therefore, on principle be demanded by home departments for reasons of foreign policy.⁵ Moreover, the political arguments put forward in the present case by the Legation at Athens⁶ against the racial political demand for the prevention of mixed marriages (descendants!) do not affect the matter.

I should be grateful if this case, which is now closed, could be transferred.

Resubmitted to VI W via the Office of the Foreign Minister and II Gr.
BÜLOW-SCHWANTE⁷

Ministry of Education about the engagement of *Assistent* Dr. Karl Schefold to Fräulein von den Steinen, who was of non-Aryan descent.

³ See document No. 331.

⁴ See document No. 486.

⁵ Marginal note: "These observations are not entirely correct. It might well happen at some stage that important reasons of foreign policy might cause us to recommend that the principle be infringed. v.N[eurath], [Jan.] 25."

⁶ Not found.

⁷ Marginal note: "To stay with the D[Deutschland] files. S[chumburg], Feb. 6." See also document No. 467, footnote 6.

No. 459

3241/702431-32

Memorandum by the Foreign Minister

BERLIN, January 26, 1935.
RM 78.

The Nuncio called on me this morning and once again lodged a complaint about the neo-paganism in Germany. He emphasized that it caused the Curia the greatest anxiety that, despite repeated assurances, the highest Reich authorities had so far not taken a definite line against this neo-paganism in Germany. In his view it would be sufficient if it were to be specifically stated in a declaration by the Führer that the German Government regarded the Christian denominations alone as the basis for the religious education of youth.

On my objecting that he seemed indeed to overrate the importance of this so-called neo-paganism, the Nuncio replied by referring to a farmers' almanac for which Reich Minister Darré¹ had written a foreword, and further to statements by Herr Alfred Rosenberg, and by saying that the neo-pagan movement was being supported by leading personalities of the National Socialist Party and was thus of importance, if only for this reason. In turn, I drew attention to repeated statements by the Führer, in which he had dealt with the position of the Christian denominations in the Third Reich and had throughout taken a positive line. Nevertheless, the Nuncio persisted in his desire that this neo-paganism should be expressly rejected, since, amongst many of the subordinate authorities of the Party, there was, to say the least, confusion as to the attitude of the Führer to Christianity. He asked that his request be conveyed to the Führer.²

N[EURATH]

¹ Walter Darré, Reich Minister of Food and Agriculture; a leading exponent of National Socialist "blood and soil" theories.

² Neurath sent a copy of this memorandum to Lammers in the Reich Chancellery under a covering letter dated Jan. 28 (8118/E581512) requesting that it be submitted to Hitler.

No. 460

7825/E567617-27

The Foreign Minister to the Embassies in (a) Italy and (b) France

SECRET

BERLIN, January 27, 1935.

e.o. II It. 178 Ang. I.¹

With reference to our despatch II It. 120 of January 19.²

The understanding arrived at in Rome between Mussolini and Laval was undoubtedly achieved primarily on the basis of the common attitude of France and Italy towards Germany in the Austrian question.

¹ A copy of this despatch was sent to the Missions in London, Warsaw, Vienna, Budapest and Belgrade under Ang. II, with instructions to inform the respective Governments in outline of the German position and to hand over confidentially a copy of the Note. A question of special interest to Germany was whether Great Britain would be prepared to follow the German suggestion to accede to the pact of non-intervention. The instructions to Vienna (7825/E567632) concluded with the following additional paragraph: "The Austrian Government should not be so fully informed regarding our attitude that they would be in a position to take part on an equal footing in a French-Italian discussion on the steps taken by us, but the German attitude to the question of non-intervention as a whole should be so clearly stated that, if necessary, the fact that this communication has been made in Vienna could later be referred to as a German gesture. I also request you to make it quite plain that we see in the Consultative Pact, which was concluded with the approval of Austria, the assumption of a mandate by Paris and Rome."

² Not printed (7825/E567564-65). The despatch informed the recipients of the *démarches* undertaken by the French and Italian Ambassadors on Jan. 16 (see document No. 439) and enclosed a copy of the memorandum handed over by them.

An outward sign of this is the Franco-Italian Consultative Pact concluded in Rome³ and already put into force, which expressly applies to Austria and which is obviously intended to be directed against Germany. The proposed pact of non-intervention, it is true, applies generally to relations between all Central European States, but as regards relations between Germany and Austria, it naturally has the same tone as the Consultative Pact.

From the purely formal point of view we should only be assuming an obligation under the pact of non-intervention which rests on us in any case. Politically, however, the obligations which exist in accordance with the principles of international law would be very greatly strengthened by being laid down in a treaty. German-Austrian relations would no longer be exclusively a subject for discussion between Germany and Austria, but could easily be made the subject of diplomatic intervention by the other contracting States, without our being in a position to reject such intervention as we would previously have done. Still more important than this effect of the pact, is perhaps the fact that to join in the proposed negotiations could, in view of the situation as a whole, be regarded as a retreat on the part of Germany and as a surrender of her political freedom of action on the Austrian question.

But our view on the Franco-Italian pact system can, of course, only be defined after considering the political situation in its entirety. Characteristic of this situation is that, as a result of the French reply,⁴ the Eastern Pact too has once more been brought to our attention, and that the other Powers will most probably bring up the armaments question again in the near future. We shall have to make all decisions in foreign policy subordinate to the view that our position in the armaments question must be made as favourable as possible. As we cannot depart from our previous standpoint in the question of the Eastern Pact, we have decided, for the present, to inform the other Powers only of our attitude to the Central European pact system.

In this we are being guided by the following considerations:

A purely negative attitude on the Central European pact system would very probably lead to a serious increase of tension in the international situation. The consequence would be not only still closer cooperation between Italy and France, but an increase in general in the pressure upon Germany, which would very quickly make itself felt in the armaments question particularly. On the other hand, the other Powers can hardly expect us to agree without demur to a project which, in certain essential points, is directed against us and which has come into being without Germany having had any part in it. It is

³ See document No. 408, enclosure.

⁴ See document No. 440.

true that an attempt was made to preserve appearances and it was stated that it was not intended to place us before a *fait accompli*. Actually, however, it was only just before the Rome meeting that the Italian and French Governments informed us about the agreements, which had at that time already been settled in all essential points.⁵ The official text of the agreements was only communicated to us a few days ago. For these reasons it is at present only possible for us to give a preliminary statement of our views on the following lines, which I request you to submit to

(for (a)) Sig. Mussolini,

(for (b)) M. Laval,

as early as possible.

The two obligations which, according to the protocol of January 7, are to be made the subject of a Central European Pact, are recognized by us as being self evident principles of international relations. We are prepared to enter into discussions with the Governments concerned as to whether and how these principles could be laid down in a treaty calculated to establish relations of trust in Central Europe. The exchange of views will, of course, not be made easier by the fact that we did not take part in any way in the conversations which led to the making of the Rome agreements, and that, since the Italo-French Consultative Pact has been already put into force, the subject is no longer *res integra*. In any event, the information about the proposed pact system so far supplied to us by the Italian and French Governments is not sufficient to make all the essential points clear to us. We therefore attach importance to being more fully informed before adopting a definite attitude.

The most important points needing explanation are the following:

(1) The scope of the concept of non-intervention.

It is obvious, and we need not make a secret of it, that for us the foremost question is how it is intended to apply the principle of non-intervention to relations between the individual Powers and Austria. Germany has been accused of inadmissible interference in Austrian affairs, but it has never been considered that, when all is said and done, the whole development of the situation in Austria is explained by the fact that the Powers who were victorious in the World War have always thought themselves authorized to intervene in the natural development of affairs in Austria. We do not wish to stir up past events now. But it is none the less important for us to know whether the pact of non-intervention also means a break with those methods which in the past caused the difficult situation in Austria to be exploited in order to place on her heavy political obligations. Here one

⁵ See document No. 405.

need only recall the Geneva and Lausanne loans.⁶ We might also very well bring up the question as to how the Little Entente could justify their attitude in the restoration question as permissible intervention in domestic affairs. In our view it really would not do if, in future, only such intervention should be declared inadmissible as happened to prove awkward for the existing régime, or if, on the other hand, it were actually to be laid down that support for the existing régime was a positive obligation under the treaty. Without claiming for ourselves any preferential right, we can for our part demand rather that the mutual relationship between Germany and Austria, which arises out of our common racial stock and the closely interwoven cultural relations of the two countries, be respected as a natural and unalterable fact. It would not be justifiable to speak of inadmissible intervention here, while obvious cases of intervention from another side remain unchallenged. In this connexion we must finally point out that suitably to champion the rights of minorities must not be regarded as inadmissible intervention.

(2) Special agreements.

The Italo-French project permits the conclusion of special agreements in addition to the general pact, allegedly in order to secure its execution. It is not expressly stated what kind of special agreement is here envisaged. It may, however, be supposed that military assistance and sanctions in the event of breaches of treaties are being considered. It is obvious that such subsidiary agreements would frustrate the purpose of the Pact, upset its balance and do away with the equality of rights of the parties to it. In our view, this must be avoided at all costs. Even if, however, special agreements of another kind were intended, these must be made dependent on the approval of the other parties and they must be given the opportunity of joining too.

(3) The States which are to participate.

It is remarkable that, according to the Franco-Italian proposal, Switzerland is not to be a party to the pact which applies to Central Europe. We consider that the participation of Switzerland is desirable, if only in the interests of an effective fight against terrorists. If Switzerland were to become an island in the region covered by the pact of non-intervention, she might very easily become a centre and sanctuary for such unruly elements against her will. The objections which Switzerland might bring forward against joining, on the grounds of her neutrality, could doubtless be removed one way or another.

The question of Britain's participation, however, appears to us to be politically even more important. For general political reasons we would consider it most desirable that Britain should take part in the pact system and that, for this purpose, her participation, as well as

⁶ See document No. 453, footnotes 3 and 4.

that of France should be expressly provided for. This is all the more appropriate, as Britain has, up to the present, been concerned in Austrian and other Central European questions. We would be interested to learn whether any discussions in this connexion have taken place with the British Government, and if so, of what kind.

(4) The Italo-French Consultative Pact.

It appears to us, as already stated above, that the negotiations have been rendered more difficult by the fact that Italy and France have prejudiced them in advance in so far as these two countries, without waiting for the results of the negotiations on the pact of non-intervention, have already settled a large part by treaty amongst themselves. Apart from this, however, the relation of the consultative pact to the proposed pact of non-intervention is not clear to us. The first question which arises is whether the consultative pact is intended to terminate with the coming into force of the pact of non-intervention, or whether it is to remain in force as well. In the latter case it should, in our view, be so constructed that it includes, on a basis of complete equality, all parties to the pact of non-intervention and their relations with one another. The text of the Rome protocols permits of the interpretation that Italy and France will, to be sure, allow other Powers to share in their consultations, but will not give them the right to initiate the consultations themselves.

(5) League of Nations.

According to the Rome protocol, the pact of non-intervention is to be concluded within the framework of the League of Nations, and the League is to collaborate in any special agreements. The real import of these stipulations is not clear. As we have withdrawn from the League of Nations, we naturally consider it important that the League of Nations should not be made a determining factor in the treaty system.

In order to prevent the above point of view being interpreted differently by Paris and Rome, I request you, at the end of your conversation, to leave the attached Note as a *résumé* of your remarks. Furthermore, I would point out the following, exclusively for your personal information:

(a) In setting out our point of view we have deliberately refrained from explicit mention of the question of equality of rights. We consider that we must now regard our equality of rights as something which has been finally won and which we ourselves no longer wish to discuss. Therefore we need and must no longer petition the other side to recognize our equality of rights. If we were to do so, we should be admitting that we still needed such explicit recognition, and that we did not feel we were entirely in the right without it. Nor have we any reason to cause the armaments question to be reopened by making

a prior settlement of the question of equality of rights an express condition for our participation in the international pacts.

(b) Although it is tactically advantageous for us in the present situation first to put questions to the initiators of the pact project, we have no interest in increasing the importance of the project by too intensive discussion. Our questions, necessary though they are in themselves, are not for the purpose of obtaining explanation and amplification of every possible detail. If they help to prolong the discussion, that will suit us very well. Should the question of procedure arise, I request you to bear in mind that we by no means desire that a large international conference should be arranged, but rather that discussion should be continued through diplomatic channels.

The same instructions are being sent to the Embassy at

(a) Paris

(b) Rome

At the same time the Embassies in London and Warsaw, as well as the Legations in Vienna, Budapest and Belgrade, will be instructed to inform the Governments there of our attitude.

Please report by telegram on the reception of your *démarche*.

VON NEURATH

7825/E567628-30

[Enclosure]

NOTE

The two obligations which, according to the Rome protocol of January 7, 1935, are to be made the subject of a Central European pact, namely, first, the obligation not to intervene in the domestic affairs of other States, and, secondly, the obligation not to allow one's own territory to become a base for revolutionary activities against other States, are recognized by the German Government as self-evident principles of international relations. The German Government are prepared to enter into discussion with the participating Governments about whether and how a treaty embodying these principles, calculated to help in strengthening relations of confidence in Central Europe, could be achieved.

Information so far supplied by the Royal Italian Government and the French Government about the pact system proposed by them leaves a number of important points obscure. The German Government, therefore, attach importance to being more fully informed in this respect before adopting a definite attitude. In this connexion the following points are the most important ones:

(1) In view of the development of affairs in Central Europe hitherto, the German Government wish to make quite sure that the principle of

non-intervention will not be applied, as has so often happened in the past, one-sidedly and only in certain individual cases, but rather that it should apply with complete equality to all parties to the pact.

(2) According to the Rome protocol, the parties to the pact of non-intervention are to have the opportunity of concluding special agreements in order to ensure the application of the principles of the pact. It is not clear what sort of special agreement is meant here. In the opinion of the German Government it would, in any case, be necessary to prevent the balance of the general pact being disturbed by any such special agreements, and its basic principles falsified. Any special agreements between individual parties must therefore be made subject to the approval of all the other parties, and it must be left open for them to join.

(3) The question arises as to what points of view influenced the selection of the States proposed to participate in the pact of non-intervention. Would it not be advisable also to invite Switzerland to take part in the negotiations, and, further, to provide from the beginning for the participation of the British Government?

(4) Is it intended that the Italo-French Consultative Pact which has already been concluded should lapse with the coming into force of the pact of non-intervention, or is it to remain in force as well? In the latter case the German Government consider that it should be so constructed as to include on a basis of complete equality all the parties to the pact of non-intervention and their relations to one another.

(5) Since Germany has completed her withdrawal from the League of Nations, it is necessary to clarify the question of the real import of the stipulation that the pact of non-intervention is to be concluded within the framework of the League of Nations and that the League is to cooperate in the proposed special agreements.

No. 461

7825/E567679-81

The Ambassador in France to the Foreign Ministry

Telegram

No. 94 of January 29

PARIS, January 29, 1935.

Received January 29—2:45 a.m.

II It. 202.

For the Reich Foreign Minister personally.

With reference to your despatch of January 27, II It. No. 178, Angabe I.¹

¹ Document No. 460.

Although the Foreign Minister's time is fully occupied with Cabinet meetings and preliminary discussions for his journey to London,² he made it possible for me to see him for a short time late this evening.³

I informed Laval of our attitude to the Danubian Pact in general terms, in accordance with your despatch under reference above.

(1) Exchange of views, wishes and reservations. The Foreign Minister said that during our last conversation (see our telegram No. 91 of January 25)⁴ he had already explained his ideas with regard to absolute parity of rights and obligations for the parties to the pact. Accordingly, in agreement with Italy, during the Geneva meeting⁵ he had asked members of all States concerned in the pact, namely the Little Entente and Poland, to put their wishes and reservations in writing and send them to the French and Italian Governments. He would be grateful if Germany would do the same, and he therefore welcomed the preliminary statement of our views which I had communicated to him. The opinions on the pact proposals which had been communicated by the States in question would, of course, be sent to all States concerned.

(2) The scope of the concept of non-intervention.

(a) The Minister listened to my remarks on the need to break with methods of the past, with reference to the exploitation of Austria's difficult position in order to impose political obligations, but made no reply to them.

(b) Our objection to the attitude of the Little Entente in the restoration question doubtless surprised him. He refrained, however, from expressing an opinion on this either.

(c) It was the same with my remarks about using different yard-sticks according to the régime in power at a given time.

(d) He listened with interest to my remarks on the need for respecting cultural relations between Germany and Austria, but he was clearly mistrustful when I spoke about

(e) our claim to be allowed to continue to champion the rights of the minorities where necessary. Here he wished me to give a more exact definition. I confined myself to saying that since time was so short it would take too long to define rights exactly, and that this would have to be reserved for a further discussion. I thought, however, that I could say that our foremost principle in the minorities question was our wish that the minorities should be loyal citizens of their State. We were, however, linked with the minorities by our common race, and it was therefore under-

² Laval visited London Jan. 31-Feb. 3; for his conversations with the British Government see document No. 483.

³ At this point the date "Jan. 28" has been inserted.

⁴ Not printed (7825/E567673-78).

⁵ The Council of the League of Nations opened its 84th session on Jan. 11, 1935.

standable that we should make known our interest in their development and welfare.

(3) Special agreements.

(a) My remark that special agreements should not include any clauses concerning military assistance or sanctions, appeared to displease the Minister very much. He asked in what other form I thought pressure could be applied in the case of a breach of treaty. I replied that I considered that moral pressure by all those interested promised the best results.

(b) My remarks concerning approval by the other parties to the pact, and the possible right of accession to special agreements, were received by the Minister without objection.

(4) (a) The Minister regarded the adherence of Switzerland as impossible.

(b) The same applied to Britain. I urged the Minister to make this last question a subject for discussion during his London visit.

(5) In view of the short time at my disposal I could only lightly touch on the Consultative Pact and the League of Nations. In conclusion I handed the Minister a translation of the enclosure to your despatch.

The Foreign Minister's remarks at the end of the conversation again convinced me that, whatever happens, he will insist on including mutual assistance in the pact as he envisages it.

KÖSTER

No. 462

7893/E572118-23; 31-32

The Foreign Minister to the Embassy in France

BERLIN, January 29, 1935.

e.o. II M.202.

As already stated in our telegram No. 14 [sic]¹ it has been agreed with the French Embassy that the negotiations on the demilitarization of the Saar are to be conducted for the Embassy by Counsellor of Embassy Forster and that, if necessary, this or that expert on specific questions may be sent to Paris while the conversations are in progress. Copy of a memorandum on the decisive conversation with Counsellor of Embassy Arnal is enclosed (Enclosure 1).²

Upon receipt of this despatch you should arrange for Herr Forster

¹ The reference is presumably to telegram No. 46 of Jan. 26 (7893/E572100) which reads as stated in the document here printed.

² Not printed (3058/609955-58); this was a copy of a memorandum by Bülow dated Jan. 25.

to start the conversations soon. It would be desirable if these were to lead to an understanding as quickly as possible and without causing any great public stir. As Counsellor of Embassy Arnal rightly stated at the discussion on January 25 last³ the question has already been settled in principle by the declaration which we caused to be transmitted to Laval at Geneva,⁴ namely that after reintegration we shall at once regard the Saar as part of the demilitarized zone. It is now only a matter of agreeing definitions on certain individual points to which the French Government attach importance and which should assist in preventing differences of opinion in future on the carrying out of demilitarization in the Saar.

The points which are to form the subject of the talks were enumerated in the conversation on January 25 last by Counsellor of Embassy Arnal. According to him they concern:

- (1) the strength and character of the police force,
- (2) the "para-military" formations, that is to say, the SA, the SS and the Labour Service,
- (3) the possible extension of roads and railways,
- (4) the airport at Saarbrücken.

The Massigli memorandum of January 14⁵ last, which was transmitted to the Embassy by despatch II M 144 of January 22⁶ and which was drawn up and presented to the Committee of Three before the results of the plebiscite were known, is not to be a subject of the negotiations. We have no official knowledge of this memorandum, on the contrary, it has only reached us through confidential channels without any assistance from the French. In spite of this, the substance of the memorandum is naturally of interest for the conversations, since it gives an indication of the maximum French demands. No mention must be made to the French of the fact that we have knowledge of the memorandum.

Although Laval has repeatedly stated that he does not wish to turn the occasion into a large-scale political dispute, some risks are involved in the conversations nevertheless. For one thing, any agreements implying fresh recognition and reaffirmation of a measure so one-sidedly directed against Germany as the demilitarization of the Rhineland, touch upon a delicate point where we are concerned. If only for this reason, we must avoid anything going beyond a purely practical settlement of technical details. Moreover, there is a possibility that the other side will take the opportunity of raising questions which might prejudice the issue of the demilitarization of the whole of the

³ See footnote 2 above.

⁴ See documents Nos. 441 and 448.

⁵ See document No. 441, footnote 2.

⁶ Not printed (7893/E572080-83).

Rhineland zone or the international negotiations on armaments. We should have firmly to resist such attempts. In no circumstances do we wish to reopen fundamental questions concerning the demilitarized zone, any more than we can allow a discussion, which we do not at present desire, on the international problem of armaments to develop prematurely from the Saar conversations.

It is clear from the repeated statements issued by Laval and the French Embassy here that the leading political authorities in France do not intend to consider the question of demilitarizing the Saar from the aspect of French prestige but that, like ourselves, they desire as speedy and smooth a settlement of the matter as possible. Attention should be drawn to this as soon as it is apparent that the negotiator (presumably Massigli) is trying to bring the conversations round to fundamental questions of demilitarization or of the sphere of disarmament or to protract them by petty chicanery.

Our tactical position is not unfavourable, inasmuch as the French found during the Council meeting at Geneva that other Great Powers, especially Britain, were most reluctant to impede the return of the Saar by trivial discussions on the details of demilitarization. For this reason Laval has, in view of our resistance, very quickly dropped his original demand that the demilitarization question should be included in the proceedings covering the arrangements for reintegration; as is known, these proceedings consist of negotiations before the Committee of Three of the League of Nations and an arbitral decision by the Council, if agreement should not have been reached by February 15. In view of all this there is no doubt that failure of the diplomatic conversations on the details of demilitarization cannot delay the return of the Saar, which has been arranged to take place on March 1 of this year. The carrying out of demilitarization has nothing whatever to do with the reintegration of the Saar.

Moreover, it should be taken into account that the respective power ratios have changed very much to our advantage since the discussions on demilitarization of the Rhineland were held. There is no question, therefore, of our assuming any more extensive commitments in respect of the Saar than we have done for other parts of the demilitarized zone. Nor can we agree that in respect of demilitarization the Saar should be given a special status as compared with other parts of the demilitarized zone; it would in particular be quite out of the question for us to discuss a form of control such as has been suggested in Massigli's memorandum of January 14 last.

The attitude we take to the points raised by the French has already been explained to Arnal in broad outline in the conversation held on the 25th of this month; it is fully defined in Enclosure 2⁷ to this

⁷ Not printed (7893/E572124-30).

despatch. The form we think an understanding could take may be seen from the draft of a statement which we would be prepared to make and which is also enclosed (Enclosure 3).

This statement has been discussed with the departments concerned.⁸ When it was being drafted care had to be taken to avoid making it appear as if the assumption of fresh obligations were involved. That is why the form of a statement on the measures contemplated by Germany has been chosen.

The question of the demolition of railways is not to be a subject of the Paris talks. Herr Forster would therefore not have to enter into any discussion on this point. As is known, we for our part have refused to carry out any demolitions whatsoever, in reply to which the French have stated that they intend to settle this point with the Governing Commission before the transfer. Your attention is drawn in this connexion to the relevant statements in the attached memorandum on the conversation with Arnal on January 25.

As we do not yet know what particular tactics the French will adopt at the conversations, it is advisable that Herr Forster should at first confine himself mainly to taking note of the French wishes and relevant explanations and then get in touch with the Foreign Ministry again. If necessary, Herr Forster could come to Berlin for this purpose.

You should ask for experts in special fields only if this should prove absolutely necessary. It would be best if we could refrain altogether from sending experts, so as to avoid unnecessarily attracting the attention of the public. In any case, it would be desirable for the negotiations not to be discussed at all in the press.⁹

NEURATH¹⁰

Enclosure 3

zu II M.196.¹¹

The Saar Territory is included in the zone specified in Articles 42 and 43 of the Versailles Treaty. After reintegration the German Government will, therefore, treat it as a part of this zone.

The normal complement of police for the Saar Territory after reintegration will in general correspond to the normal strength of the police previously maintained there, which amounted to about 1,500 including all grades of personnel. The maximum number of police personnel in the demilitarized zone on the left bank of the Rhine

⁸ The discussion was recorded by Frohwein in a memorandum, II M 196, of Jan. 28 (7893/E572107-17).

⁹ Marginal note at the head of this document: "The Chancellor agrees. v. N[eurath], Jan. 29."

¹⁰ In telegram No. 102 of Jan. 31 (7893/E572133) Forster reported that the negotiations would have to be conducted with Massigli, who alone could stand up to the army, and that conversations would begin as soon as the latter returned from London.

¹¹ See footnote 8 above.

(including the former bridgeheads), which was fixed at 10,000 (including 3,000 quartered in barracks) during the previous negotiations, will accordingly be raised to 11,500 (including 3,400 quartered in barracks) from the date of the reintegration of the Saar Territory onwards. Regarding the temporary increase in the police which will become necessary in consequence of exceptional circumstances, particularly during the period following the reintegration of the Saar Territory, the settlement agreed upon for this zone during the previous negotiations will apply after reintegration in the Saar Territory as a part of the demilitarized zone.

There is no intention of setting up in the Saar Territory after reintegration stronger formations of the SA, the SS and the Labour Service than are warranted by the natural conditions prevailing in this Territory and by the strength of the aforementioned formations in other parts of the demilitarized zone having a similar nature.

The existing airport at Saarbrücken will be maintained after reintegration, so that a further airport will be added to the four airports in the whole of the demilitarized zone. The emergency landing ground at Saarlouis will likewise be retained, and will continue to come under the regulations governing civil landing grounds within the meaning of the German-French aviation agreements of May 22, 1926.¹² The civil airfields, sixteen in number for the whole of the demilitarized zone, will therefore be increased by one after the return of the Saar Territory.

As regards the construction of railways and main roads, the general provisions will be applicable, under which no material arrangements for mobilization may be made in the demilitarized zone.

¹² For the text of this Agreement on Aerial Navigation see League of Nations: *Treaty Series*, vol. LVIII, pp. 331-374.

No. 463

5740/H031890-95

The State Secretary in the Reich Chancellery to the Foreign Minister

Rk. 899

BERLIN, January 29, 1935.

Received January 30.

III E 275.

The Führer and Chancellor received Lord Allen of Hurtwood on January 25, 1935.¹ The substance of the conversation which took place on this occasion is contained in the enclosed memorandum. A duplicate for the Embassy in London is also enclosed.

DR. LAMMERS

¹ See document No. 422.

[Enclosure]

RECORD OF THE CONVERSATION BETWEEN THE FÜHRER AND CHANCELLOR AND LORD ALLEN OF HURTWOOD ON JANUARY 25, 1935

zu Rk. 899.

Lord Allen opened the conversation by expressing his warm thanks for the reception granted him. He pointed out that he was not making an official visit to Berlin, nor was he acting on any official instructions from the British Government. He had, however, been charged by the British Prime Minister, MacDonald, to deliver a message of goodwill. He said that public opinion in Britain was still in doubt about certain events in Germany. Nevertheless, a marked change of opinion in favour of Germany could be observed. There was increasing regret about the political mistakes made during the past twenty years, and a growing desire to reach agreement on misunderstandings that still remained. The political situation in Europe was causing great anxiety in England, in so far as people did not agree with the obvious attempts of other Powers to bring about a fresh encirclement of Germany. In order to check this later development, it was particularly important to reach an understanding between Britain and Germany, which might later turn into a general agreement on armaments.

The Führer and Chancellor thanked Lord Allen for his visit. In view of the fact that it was impossible to obtain a true picture of conditions in Germany from the English press, the Führer said it was particularly gratifying to have important Englishmen come and convince themselves that the situation in Germany was peaceful. This peace at home was a pre-condition for Germany's reconstruction. Germany needed undisturbed peace for forty to fifty years, for war destroyed more than could be built in ten years of peace. It was not the present generation's task to prepare for a fresh war, but rather to eliminate the consequences of the World War.

The German régime was also very strong internally, and did not have to worry about political successes abroad. If Germany was just as much interested in preserving peace as the other Powers, then it was clear that in order to achieve this aim Germany could claim complete equality of rights and security for her frontiers. In order to foster the idea of peace in the world he had, during the past year, made two important declarations: the agreement with Poland² had brought about a general pacification of Europe; the same was to be expected from the assurance repeated to the French Government after the Saar plebiscite, that Germany had no longer any territorial claims whatever on France.³ In this way all the necessary conditions had been created

² Of Jan. 26, 1934; for the text see vol. II of this Series.

³ For extracts from statements by Hitler to Pierre Huss of the Hearst Press on Jan. 16, see Baynes: *Hitler's Speeches*, vol. II, pp. 1196-1197.

for a guarantee of peaceful developments. The above-mentioned declarations had been made quite publicly. In this way Germany had herself, before the whole world, destroyed the arguments which, in one section of world public opinion, had been considered to be the basis for Germany's desire for revenge. This contribution by Germany to the pacification of Europe, was, in comparison with what had been done by other nations after other wars, both greater and more important.

Germany had never accepted the extraordinary political ethic set forth in the Treaty of Versailles. Admittedly Germany had had to accept the position actually created by the Treaty. She still, however, objected to the provisions of the Treaty which, because of the discriminatory and unequal treatment of Germany, had so far been nothing but a source of unrest. The German people had waited year after year for a return to better understanding. Instead of this, we found that almost all our neighbours had increased their armaments. Two events in particular caused us great anxiety. Firstly, the fact that our proposals in the field of disarmament had been rejected, and secondly, the fact that the precarious political situation in France was causing frequent changes of Governments who tried to make good their weakness at home with political successes abroad. Moreover, in the course of the last fifteen years, Russia had become the greatest military power factor in the whole of Europe, but had, nevertheless, by no means given up the idea of making propaganda for the World Revolution. France, however, had allied herself with Russia. In these circumstances, therefore, Germany's desire for security was paramount. The League of Nations had not made Germany feel secure, and Germany could not wait for this. This did not mean that Germany rejected all cooperation with other nations. On the other hand, Germany saw in the present-day system of concluding collective pacts, about the scope of which the individual parties could not be at all clear, a great danger for the peace of Europe.

The Führer and Chancellor explained these ideas by citing as an example the outbreak of hostilities between Russia and Poland.

Germany was ready at all times to conclude an armaments agreement with Britain. In the naval sphere, Germany had no ambition to compete with Britain. She was, therefore, prepared to limit herself in an agreement to this effect to about 35 per cent of the British naval armaments.⁴ Germany naturally demanded equality of rights in the air, but she was at all times prepared to conclude an agreement with Britain about parity of air armaments in proportion to the strongest continental air Power. German armaments on land would never be a threat to Britain.

The procedure followed so far in order to reach an armaments

⁴ See documents Nos. 298 and 358.

agreement was entirely hopeless and futile. It was now a matter of finding a focal point on which a fresh initiative could be based. He thought this would consist in an armaments agreement, to be concluded in the first place between Britain and Germany.

Lord Allen remarked on these statements, which the Führer and Chancellor himself said were not proposals but political ideas, that undoubtedly Britain could not avoid consulting with the other nations before she concluded an armaments agreement of this kind with Germany.

The Führer and Chancellor replied that such consultation would have little success, as the other nations were simply not prepared to reduce their level of armaments.

When Lord Allen asked whether the German-British armaments agreement might also include an obligation to render mutual assistance, the Führer and Chancellor replied that there could in no circumstances be any question of this. The object of the agreement must only be to limit armaments. Its purpose was to prevent a general armaments race in Europe. The first result of an agreement of this kind would probably be that Italy would adhere to the agreement. In such a case there would ultimately be nothing else left for France to do but to acquiesce.

Lord Allen once more emphasized how much an understanding with Germany was desired. But at the same time the British Government were greatly concerned to have regular cooperation with other nations. The Chancellor had of late repeatedly and publicly stated the claim for equality of rights. Lord Allen believed that British public opinion, and with it the British Government, would react favourably if, at a suitable occasion, the Chancellor were to make a declaration stating both his willingness to cooperate with Europe and his precise views as to how Germany would conduct herself once she had been granted equality of rights.

The Führer and Chancellor replied that it was not easy for him to make such a declaration; for Germany had had some unpleasant experiences since December 1932. The French press were already beginning to attach conditions to the granting of equality of rights. Germany would never consider such conditions. Part V of the Treaty of Versailles⁵ must be removed once and for all. Germany would, however, never agree to have a new statute, imposing fresh conditions upon her, in place of this section of the Peace Treaty. Germany would always abide by anything which she had signed of her own free will. As soon as he was sure that a new statute of this kind was not envisaged, he would be prepared to make the declaration which Lord Allen had described as desirable.

For the minutes:
THOMSEN

⁵ Part V comprised the military, naval and air clauses of the Treaty.

No. 464

1549/376696-701

*The Minister in Austria to the Führer and Chancellor*¹

A 281

VIENNA, January 30, 1935.

Received February 1.

Rk. 1036.

Subject: Conversations with the Federal Chancellor and with the Foreign Minister about the non-intervention pact; communication of the Note in accordance with your instructions of January 27 last.²

(1) Yesterday, before I had received your instructions of January 27 about the preliminary views of the Reich Government on the non-intervention pact, I had a thorough discussion with the Federal Chancellor about the general international situation. I explained to the Federal Chancellor the preliminary, general views of the Reich Government as to the possibility and necessity of taking action to safeguard peace in the Danubian region. In particular, I pointed out that the Rome proposals³ contained a number of obscurities about the concept of non-intervention. We did not wish to run the risk of joining in a pact the terms of which were variously interpreted by everybody and which might ultimately lead to highly undesirable international complications. I said that as the Foreign Minister had just told me (see my despatch of January 26)⁴ that he would welcome any bilateral conversations with us, I desired to learn from the Federal Chancellor himself whether the possibility of bilateral conversations between us was still open and whether such conversations were desired.

The Chancellor emphatically said that this was so—but today the Foreign Minister has equally emphatically contradicted him, at least in so far as it is a question of concluding a treaty. This illustrates the unity of the Austrian Government!

I then questioned the Chancellor about Starhemberg's speech of January 24⁵ and protested at its tone. On my asking whether the Prince's statements about the Habsburg question had the approval of his Government, the Chancellor said that his Government entirely approved what Starhemberg had said.

¹ The working copy received in the Foreign Ministry (7825/E567706-11) was registered as II It. 237.

² Document No. 460.

³ See document No. 408, enclosure.

⁴ Not printed (6081/E451207-11); in this despatch Papen reported on conversations he had had, following his return to Vienna from the Saar Territory, with the Austrian Secretary General, Peter, and the Foreign Minister.

⁵ At Vienna, to a meeting of the Fatherland Front; the speech was chiefly devoted to the question of maintaining Austria's independence, and to the prospects of a Habsburg restoration the time for which was described as not yet ripe.

(2) During my conversation today with the Foreign Minister I informed him of the doubts entertained by the Reich Government, in accordance with your instructions of January 27. After I had once again caused him to confirm that the consultative pact had been concluded with the express approval of Austria, I told him that we must consider this pact as prejudicing [the issues in advance] and as representing the assumption of a mandate by Rome and Paris. As I have already reported in my telegram of today's date,⁶ the Foreign Minister takes the view that the non-intervention pact ought not to be an instrument couched in the precise terms of the Rome protocol [*procès-verbal*], but merely an overall treaty [*Rahmenvertrag*] doing no more than expressing the determination of the signatories to agree together in bilateral treaties about their divers interests.

In the course of this conversation the Foreign Minister, however, flatly contradicted the view, which the Austrian Chancellor expressed to me yesterday, that such a bilateral agreement between us was now possible "without more ado". The Foreign Minister said that the Tripartite Pact "Rome-Vienna-Budapest"⁷ rendered it legally impossible, and Vienna's close participation in the Rome protocols [*procès-verbal*] would also render it morally indefensible. The Foreign Minister thought that for Germany to join a multilateral pact envisaged as an overall treaty, as the precondition for a bilateral agreement, should present no difficulties to us. We could then, if the Reich considered it desirable, settle our mutual relations in a special agreement. He said that a bilateral treaty with Hungary, in accordance with the friendly relations obtaining between Austria and Hungary, was at present under consideration and might even include a military convention.

As regards the consultative pact, the Foreign Minister agreed with our view that it would have to disappear after the conclusion of the non-intervention treaties, but he admitted that the Rome text was not clear on this point. He also replied in the affirmative to my question whether this consultative pact had been concluded in order to ensure the accomplishment of the non-intervention treaties, and he agreed that the Contracting Powers would, should occasion arise, have to negotiate about the application of sanctions in case of breaches of the treaty.

In discussing the question of what the States of the Little Entente, especially Czechoslovakia, had so far said about the Rome proposals, Herr von Berger told me that he had had lengthy conversations with M. Beneš at Geneva. The Austrian Government had always maintained and would continue to maintain the view that the restoration

⁶ Not printed (7825/E567693-94); this was telegram No. 14 from Vienna in which Papen gave a preliminary account of his conversation with the Austrian Foreign Minister.

⁷ i.e., the Rome Protocols signed by Italy, Austria and Hungary on Mar. 17, 1934; see document No. 10, footnote 8.

question was purely an Austrian internal affair; therefore none of the Successor States would, in consequence of the non-intervention pact, be entitled to intervene against the restoration of the Habsburgs should this matter ever become actual. But it was an academic question, for, just as Austria had informed all the Powers that the restoration question was purely an internal Austrian affair, she had equally informed the Powers that she would take no steps in this matter, since she was aware that to do so would be to conjure up international difficulties.

The accession of Switzerland and Britain [to the proposed pact] is warmly advocated here. In speaking about bringing Switzerland in, the Foreign Minister also referred to revising the rights of asylum and of the need mutually to agree on the terms for extraditing political murderers. The German press had taken the same view on the question of the extradition of the Communist Neumann from Switzerland, and it was to be hoped that the German press would advocate this view in other cases too (here he was hinting at the international excitement aroused by the Fehme murder in Prague).⁸

Asked about the forthcoming visit of the Austrian Ministers to Paris and London, Herr von Berger said that in London in particular he would claim military equality for Austria. The visits are proposed to take place at the end of February.

At the conclusion of the interview, I left with the Foreign Minister the confidential Note containing our views on the Danubian pact.

(3) What appears to me noteworthy in these statements by the Foreign Minister is the Austrian view about the conclusion of a collective treaty as an "overall treaty". It would appear that this solution has been discussed at Geneva with Laval and the Ministers of the Little Entente in order to circumvent the many difficulties which must be involved in a collective treaty with clearly defined terms. The idea does not seem unacceptable from the German point of view. It would make it possible to embody German-Austrian relations in a bilateral treaty and not in a collective treaty, which last, given the special character of German-Austrian relations, might easily lead to unpredictable international consequences. Further, the Austrian attitude to the Habsburg question is very remarkable. This is the first time that the Government here have put their views so clearly. It will certainly not appear opportune to the Austrian Government to grasp this nettle at the present time. But should it prove possible, via the non-intervention pact, to neutralize the Successor States to some extent, the question would assume a more serious aspect. Moreover, it seems doubtful to me whether M. Beneš would, in fact, abide

⁸ i.e., the assassination on Jan. 23 of the German political refugee Formis on Czechoslovak territory by three Germans from the Reich who had escaped back to Germany and for whose extradition the Czechoslovak Government was applying. See document No. 477 and footnote 2 thereto.

by the assurances he gave to Herr von Berger that it was not proposed to encumber the pact with the restoration question. For I learn from well informed quarters in Geneva that he has spoken quite differently to other persons.

I have also learned from the Polish Minister that M. Laval told M. Beck at Geneva that all drafts of a non-intervention pact must be subject to further negotiations. It is therefore thought probable in Poland that it is hoped to be able to bridge over the many difficulties by means of the proposal for an "overall treaty". In Poland, the position of the French Government and particularly that of Laval are regarded as fairly uncertain. Should the London conversations⁹ not—as may be expected—prove successful, it is thought that there will be a Cabinet reshuffle in Paris in the near future.¹⁰

PAPEN

⁹ The French Minister President and Foreign Minister were visiting London for conversations; see document No. 483.

¹⁰ The document is marked: "The Chancellor is informed. L[ammers], Feb. 5."

No. 465

7467/H181696-99

The Ambassador in France to the Foreign Ministry

Telegram

URGENT

SECRET

No. 99 of January 30

PARIS, January 30, 1935.

Received January 30—11:30 p.m.

II Abr. 189.

For the State Secretary personally.

Although it is not easy to form a clear picture from the conversations and other information as to what may be the purpose of Flandin's and Laval's visit to London,¹ I should like to attempt briefly to sketch the French hopes and plans as follows:

(1) *Disarmament*. In conversations in the past few weeks Laval appears to have pointed out to the British Ambassador that France is, in principle, prepared to relinquish her negative point of view as conveyed in her familiar Note of April 17,² but must, however, request additional guarantees from Britain. These guarantees must in the first place include a promise of expressly defined military assistance by Britain in the event of France being threatened by Germany. With regard to this claim, the French appear to have been informed that Britain would consider the question as to whether she could promise such assistance, though it could in any case consist of no more than

¹ The French Ministers arrived in London on Jan. 31.

² See document No. 4, footnote 7.

three or four divisions. There also seem to have been negotiations about the necessity of sending British air forces as well. Moreover, Britain is said to have expressed the view that France's best guarantee of security would lie in bringing Germany back into the League of Nations, since it would then be impossible for us Germans to launch a surprise attack on France because the Geneva machinery would first have to be set in motion. Apart from this, Britain appears to have assured France that she would consistently support French efforts to obtain the conclusion of a Danubian Agreement and an Eastern Pact in order to enable France to include two new security factors in her system. The Note communicated by the British Ambassador in Berlin³ about ten days ago appears to have been on these lines. It is said that further conversations between Laval and Clerk⁴ have made it clear to the British that the French interpret the Note as accepting the French demand for a special British guarantee. Whereupon the British are said to have sent another Note to the Quai d'Orsay on Monday evening stating quite plainly that they were not disposed to give any guarantees beyond Locarno and the League of Nations Covenant, but that they would maintain their view with regard to the necessity of Germany returning to the League of Nations and their offer to support France over the Danubian Agreement and the Eastern Pact. This latter Note is said to have greatly displeased and disappointed the French, particularly on account of the unfavourable repercussions to be expected at home should nothing come of the London conversations. As a change of programme is now out of the question, it is being put about here that the purpose of the visit is merely a general exchange of views. Nevertheless, comfort is apparently being derived from the fact that Britain has not changed her attitude on the question of compelling Germany to return to the League of Nations, nor is it thought that this point will be abandoned. It is thought here that for reasons of domestic policy, i.e., on account of the confidence which the British left-wing parties place in the value of the League of Nations Covenant, the British Government cannot drop this point. Apart from this, satisfaction appears to be derived from the fact that Britain has rejected any idea of having conversations with Germany on disarmament questions outside Geneva.

A passage in yesterday's speech by Laval⁵ about France being unselfish and recognizing that all countries desired security, should be taken to mean that it is desired to shift the discussion more on to the terrain of the general concept of security in order to eliminate the technical terms "rearmament" and "disarmament" from public

³ Typewritten marginal note: "Group thus transmitted"; Paris is evidently meant.

⁴ Sir George Russell Clerk, British Ambassador in France 1934-1937.

⁵ For the text of Laval's statement, see *Journal Officiel de la République Française, Débats Parlementaires, Chambre des Députés*, 1935, pp. 255-256.

discussion of the question. This would have the advantage for the French Government of their being able to represent the present armaments position, and even raising the term of military service to two years, as the minimum for security. On the other hand they could, without risking attacks from the electors or from their own allies, declare themselves prepared to make concessions to Germany. We may therefore probably expect that an attempt will be made in London to come to an agreement on the basis of calling upon *all* States to state what armed forces they require to maintain their security. In this way Germany would be placed before the alternatives of either lifting the veil and giving figures or, through evasion or silence, appearing before the world as the great source of danger, and compelling other States to continue with unlimited rearmament.

The forthcoming London discussions will doubtless suffer from the fact that Laval has a strong dislike of MacDonald, in which the great majority of French politicians and of public opinion share. Apart from this, it is still hoped that, in view of German air rearmament, which constitutes a direct threat to Britain and, as I hear, of naval armaments as well (the building of German submarines?), it will prove possible to convince Britain of the necessity for the closest cooperation and tangible guarantees.

(2) *Financial questions.* Apparently the French also intend to have conversations on monetary questions. There can be no doubt but that the economic situation is constantly causing the French Government increasing anxiety. The plan to expand credit by increasing the issue of treasury bonds by five thousand million, together with the policy of bringing in the Bank of France, contrary to statute, to reactivate trade and industry, is undoubtedly causing unrest amongst savers who are traditionally suspicious of State economy, especially as they have burnt their fingers before. It will probably be thought desirable to make it clear to the British that, from the fact of the pound sterling not yet having been stabilized against the dollar, French currency is causing difficulties to the French economy with unpredictable results. It will probably be pointed out, above all, that the French currency cannot be compared with either the English or the American, because what is done about the franc is less a monetary matter than one of domestic politics. France is the last country to be able to consider a fresh devaluation of the franc, but, on the other hand, she runs the risk, through uncertainties in the world market for foreign exchange, of finding herself in serious domestic difficulties, which would also weaken her position in foreign affairs. The French will therefore probably try to exchange views with the British on how to speed up the restoration of order in world economy without producing currency repercussions on the gold standard countries.

No. 466

2784/540372-73

Memorandum by the Foreign Minister

BERLIN, January 30, 1935.

RM 83.

Today I invited the French and Italian Ambassadors to call on me separately and handed each of them our preliminary reply to the Rome Danubian Pact. At the same time I also gave them the explanations which are contained in our despatch to our Embassies in Rome and Paris.¹

The French Ambassador replied that my statements contained nothing that was new to him. Both Herr von Bülow and I had already informed him during our last week's conversations of our objections and of our desire to have various points clarified.²

He then asked about our attitude to the Eastern Pact, whereupon I said that this had not so far been affected by the observations contained in the French reply;³ we were, however, reserving the right to reply to these French observations.

Finally the French Ambassador asked me to elucidate the following points:

(1) Whether we were still prepared to agree to conclude a convention at all.

(2) Whether such a convention could be based on our proposals of the spring of 1934.⁴

I told the Ambassador that both the Führer and I had repeatedly declared that we were ready to conclude a convention. We were, however, rather sceptical about the prospects of obtaining a convention in view of the attitude of the French Government.

With regard to his second question, I could only give an absolutely negative answer. There could no longer be any question of negotiations on the basis of our concessions of the spring of 1934.

The Ambassador explained that he had asked these questions because of statements, diametrically opposed⁵ to each other, which had been made by General von Reichenau on two occasions.

The Italian Ambassador spoke at length on the value of the Rome pacts, without, however, bringing up anything new.

FRHR. V. NEURATH

¹ See document No. 460.

² No record of a conversation between the French Ambassador and either Neurath or Bülow on this subject at this date has been found, but in a memorandum of Jan. 25, 1935 (2466/510924-25) Bülow recorded a conversation with Arnal, the French Counsellor of Embassy, on the Eastern and Danubian Pacts.

³ See document No. 440, enclosure.

⁴ See document No. 4, footnote 8.

⁵ No records of these statements have been found. For Reichenau's views, see document No. 437.

No. 467

9450/E666822-23

*Note by an Official of Referat Deutschland*¹

BERLIN, January 30, 1935.

Ever since it came into existence, Referat Deutschland has tried to resist any tendency towards a compromise solution or agreement in the Jewish question. This attitude is not determined by anti-Semitic feeling but by the sober reflection that during a struggle—and it is a material and ideological struggle which is today being fought out between National Socialist Germany and international Jewry—the idea of a compromise solution or of coming to an agreement with the enemy merely weakens one's own power of resistance. During the struggle we must only think of a *complete* victory.

This policy in the matter of the Jews has been categorically laid down by Referat Deutschland in various directives,² some of which were signed by the Foreign Minister. This attitude in the matter of the Jews, uncompromising, but aware of the risks, has hitherto also been maintained in the face of overt or secret resistance by different offices which believed their own economic (Jewish boycott),³ cultural or departmental interests to be threatened by an intransigent attitude to the question of the Jews, or which for other reasons regarded a reconciliation with the Jews as advantageous. Thus, for example, in the past Department W has, in principle, opposed the exceptional treatment of coloured races under the administration of German racial laws,⁴ as this would indirectly lead to a limitation of racial legislation to the Jews and so to a more severe policy towards the Jews which threatened to cause an intensification of the Jewish boycott.

Referat Deutschland has so far been able, in special cases too, to counter these special interests, which were pressing for a truce, by drawing attention to the directives in principle on the Jewish question which had been approved by the Foreign Minister. The present note by the Foreign Minister⁵ contains a decision which might be taken as a departure from the principle of consistency and which could thus

¹ See document No. 458, footnote 1.

² In a letter of Oct. 30, 1934, to the Führer's Deputy, the Reich Ministry of the Interior, the Reich Ministry for Public Enlightenment and Propaganda and to the Reich Chancellery (8790/E612490-92) Neurath had stated that any eventual action in the Jewish question would have to be a gesture of strength and not of weakness and continued: "Concessions in the Jewish question [made] under economic or political pressure would not lead to the pacification of the internal or external political situation or to satisfying the Jewish opponent, but would have the result of undermining the philosophical basis of National Socialist Germany. The worse the economic position, the less we should consider compromises in the Jewish question."

³ See document No. 10, footnote 5.

⁴ Not found.

⁵ See document No. 458, footnote 5.

render more difficult Referat Deutschland's work on the Jewish question. I would therefore consider an appropriate report to the Foreign Minister as indicated, since the note is undoubtedly not meant to give this impression.

Submitted herewith to Senior Counsellor von Bülow-Schwante.⁶

SCHUMBURG

⁶ Handwritten notes on a separate slip of paper (9450/E666824): "Herr Schumburg: Please discuss with me. The Foreign Minister has agreed that his observation should be included in our files and that a somewhat different version should be drafted. B[ülow]-S[chwante], Feb. 2." "To be filed. S[chumburg], [Feb.] 6." A different version has not been found.

No. 468

7467/H181848-51/2

Memorandum by an Official of Department II

STRICTLY CONFIDENTIAL

[BERLIN,] January 30, 1935.

zu II Abr. 263.¹

Herr Kordt² has handed me the annexed notes of a conversation with Lord Lothian³ on armaments questions, with the request that they be treated as strictly confidential.⁴

F[ROHWEIN]

¹ See enclosure.

² Presumably Dr. Erich Kordt, a member of the Foreign Ministry, attached to Ribbentrop's staff.

³ See document No. 445.

⁴ This memorandum was addressed to and initialled by Bülow, Köpke, Gaus, Renthe-Fink and Dieckhoff.

[Enclosure]

II Abr. 263.

POINTS FROM A CONVERSATION BETWEEN LORD LOTHIAN AND THE REICHSWEHR MINISTER, REICH MINISTER HESS, HERR VON RIBBENTROP AND DR. HAUSHOFER⁵

Lord Lothian spoke somewhat as follows: France believed that if, in view of her smaller population and the military efficiency of the German people, she were to recognize Germany's parity in the military sphere, she would definitely become inferior. Hence her efforts to strengthen her old alliances and to conclude fresh treaties for security. Britain would like to achieve a settlement of the unhappy European dissensions. Her contribution to the stabilization of conditions in Europe could, however, not go beyond her Locarno obligations. In

⁵ Presumably Georg Albrecht, son of Prof. Karl Haushofer of the University of Munich, the editor of the *Zeitschrift für Geopolitik*.

Britain's view, the frontier problem in Western Europe had finally been settled as a result of the declarations made during the past week.⁶ Was Germany prepared to accept the *status quo* in the East too? The conclusion of the German-Polish Treaty⁷ seemed to him to confirm this. If this were indeed the case, did Germany, assuming she had complete military equality with France, object to France's concluding the pacts which she had in mind for her own reassurance without Germany's participation?

Reich Minister Hess replied that we could not prevent France from concluding such pacts.

Reichswehr Minister von Blomberg said that if France felt herself threatened, then she should in God's name conclude these treaties. Since our intentions were entirely peaceful, we would not feel ourselves threatened once military parity had been established, nor would we then fear any foreign aggression.

Lord Lothian asked what Britain should do in order to bring about European agreement.

Von Ribbentrop said that an agreement between Britain and Germany, as the two calm races in Europe, on a basis which would exclude threats by either side, would perhaps provide the other nations with an example and induce them to participate in an agreement. One might consider a general understanding, such as exists between Britain and the United States.

Lord Lothian said that, for Britain, who wished to have as little as possible to do with European affairs, such a conversation [*sic* ? understanding] with Germany must be based on the assumption that a solution of all conflicts between Germany and her neighbours would be attempted by peaceful means only.

Lord Lothian asked Reich Minister Hess whether he would regard a visit by Simon to Berlin as useful.

Reich Minister Hess replied that we were always glad to have foreign statesmen study the situation on the spot and inform themselves regarding our intentions.

Lord Lothian said that a visit by Simon to Berlin would naturally be expected to lead to something and would therefore have to be carefully prepared in advance.

Lord Lothian then asked Reichswehr Minister von Blomberg how he thought he would deal with the technical side of the armaments question, assuming an agreement had previously been reached. Where and in what way would the technical discussions take place? He thought it would be desirable for the army chiefs to make contact in

⁶ Presumably a reference to the speeches on the result of the Saar plebiscite made by Hitler, Flandin and Laval, for the texts of which see *Documents on International Affairs* 1934, pp. 65-69.

⁷ Of Jan. 26, 1934; for the text see vol. II of this Series.

person, as a discussion between General von Blomberg and the authorities of other countries would certainly generate confidence.

Reichswehr Minister von Blomberg said that as the venue for such negotiations, which could only take place once an agreement had been reached, any other city was preferable to Geneva. London would be the best. But Paris or Berlin were also possible. In Geneva it had always been the custom to blame the military for wrecking proposals which had never been openly opposed by the politicians but which had been referred to the technical commissions.

The conversation then touched on the question of the abolition of heavy offensive weapons, on the practicability of which General von Blomberg was sceptical, pointing out the difficulty of clearly defining the term "offensive weapon" (it depends whether the weapon is used by an aggressor or a defender), as well as France's attitude at the disarmament conference.

Lord Lothian attempted to counter General von Blomberg's mention of the numerical and material superiority of Russia, which in future even the united forces of France and a sufficiently armed Germany would hardly be able to match, by pointing out that everyone in England was convinced that a sufficiently armed German army need never fear Russia. ("You would go through the Russian army like butter."⁸)

⁸ In English in the original.

No. 469

9110/E640456-59

The Ambassador in Great Britain to the Foreign Ministry

Telegram

No. 28 of January 31

LONDON, January 31, 1935—6:58 p.m.

Received January 31—9:25 p.m.

II It. 222.

With reference to your despatch II It. 178 of January 27.¹

I have just informed Sir John Simon, as instructed, of our views on the Rome Agreements, leaving with him a copy of the Note.

After my statement on our general views on the Rome results the Foreign Secretary set forth the general British attitude as follows: The British Government who had had no hand in drawing up the projects for pacts for Eastern and Central Europe, do not regard these projects as final and unalterable. They would disapprove of any attempt to present Germany with the choice between entry or rejection. They were fully aware of the need for Germany's participation in the consultations over the texts to be signed. In view of this they welcomed

¹ See document No. 460, footnote 1.

all attempts to strengthen the feeling of security in the different parts of Europe. The discussions with the French Ministers which start today,² would be conducted on these lines. In particular, the British Government would be guided by these principles in dealing with the armaments problem. Accordingly, they did not aspire to lay down firm principles which should then be placed before Germany for acceptance, but merely wished to prevail upon the French to adopt an attitude which would pave the way for successful further treatment of the armaments problem in all circumstances, while taking Germany into special consideration. The British Government thought their position in the coming discussions was strong, and were determined to revert to the attitude they took before the Barthou period (by this he obviously meant nullification of the well-known French Note of April 17 of last year).³ One of the main causes of friction up to the present had always been whether the practical recognition of German equality of rights or the satisfaction of the French desire for security should take priority. The British Government wished to eliminate this controversial question by a combined simultaneous solution of all the relevant problems, and to do so not by means of any British-French preliminary agreement, but in cooperation with Germany, to which Britain attached just as much importance as she did to consulting with France. Because of this, he regretted the report in today's *Times*, which, though apparently semi-official, was, in fact, entirely inaccurate, particularly at the end (see our telegram No. 27),⁴ as it might create the impression in Germany that the British Government would demand Germany's return to Geneva as a pre-condition for recognizing her equality of rights. He was convinced that the French Ministers would rather anything than return home having achieved no other outcome than Anglo-French divergences of opinion. He therefore looked forward hopefully to the discussions which would be conducted by the British with an eye to Germany's wishes and opportunities, which were known to him and which he appreciated. He urgently requested us not to pour cold water on these efforts from Berlin and thus make the British position at the discussions more difficult, and strengthen any French inclination to intransigence. He asked, rather, that Germany should reserve her judgement until all the data lay before her and then dispassionately decide on her attitude.

² Minister President Flandin and Foreign Minister Laval were visiting London; see document No. 483.

³ See document No. 4, footnote 7.

⁴ Not printed (7467/H181667-68). This telegram quoted a report in *The Times* of Jan. 31 that the British and French Governments were believed to have accepted a formula expressing their agreed views on the main issues to be discussed in London. The passage in question read: "Solution proposed is that by a joint declaration certain clauses of Chapter V Peace Treaty should be made inoperative provided general convention is achieved at Geneva embodying guarantee of execution. It is also proposed there should be general European pact embodying existing regional pacts. Proviso is added Germany must return to Geneva in order to obtain her liberation from treaty restrictions."

At Simon's request I promised to pass on these remarks to Berlin and then proceeded to state our observations on the Rome agreements. The Foreign Secretary expressed no special views on the different points, remarking that Britain herself had after all not participated, but he was grateful for information about our views. The Foreign Secretary spoke at length only on the question of Britain's adherence. He explained that Britain for well-known reasons of principle was not inclined to extend her obligations with regard to Austria, as he had stated yesterday in the House of Commons in reply to a question by Colonel Wedgwood (see our report A 466 of January 31).⁴ The British Government had therefore not considered joining the agreement, though this would, of course, not prevent them from taking part in any consultations which might become necessary. In this connexion it also emerged that the Minister has no liking for the separate consultations between Italy and France provided for in the Rome agreements, but that he is of the opinion that such consultations should include all States concerned equally.

Sir John Simon had a long conversation yesterday evening with Lord Lothian on the impressions the latter had gained in Berlin,⁵ and it was obvious that he was still under the influence of this conversation, particularly as he repeatedly stressed with the greatest emphasis that it was far from Britain's intention that any definite arrangements should be made over Germany's head, and that the British Government were convinced that only with the active participation of Germany in the coming negotiations could solutions be sought and found.

HOESCH

⁴ Not printed (9115/E640725). For the text of Simon's statement see *Parl. Deb., H. of C.*, vol. 297, cols. 321-322.

⁵ See document No. 468.

No. 470

8115/E581037

The Director of Department II to the Embassy to the Holy See

Telegram

No. 13 BERLIN, January 31, 1935—7:00 p.m.

Drafting Officer: Senior Counsellor Menshausen. zu II Vat. 110.¹

111² Ang. I.³

In the latest conversation between the Nuncio and Ministerialdirektor

¹ This was a memorandum of Jan. 29 (8115/E581028-31) in which Buttman recorded the conversation of Jan. 28 which is summarized in the document here printed.

² This was a minute by Buttman of Jan. 22 (8115/E581032-36) reviewing the negotiations on the application of Article 31 of the Concordat up to that date.

³ Under Ang. II of Feb. 4 (8115/E581038) Menshausen sent Bergen copies of the documents cited in footnotes 1 and 2 above.

Buttmann, which as is known took place on January 28⁴ and with the participation of Bishop Berning, the ecclesiastical representatives were informed that, in accordance with the decision which the Führer and Chancellor had reached in the meanwhile, the Reich Government were abiding by the outcome of the negotiations with the representatives of the German Hierarchy which were completed on June 29, 1934,⁵ and could make no further concessions on important points. The Nuncio was requested to report to Rome on this basic attitude.⁶

KÖPKE

⁴ See footnote 1 above.

⁵ See document No. 50.

⁶ Typewritten marginal note: "Ministerialdirektor Buttmann has agreed to this version of the telegram."

No. 471

8554/E598507-12

State Secretary Bülow to Minister Weizsäcker

BERLIN, January 31, 1935.

zu II Sz. 126¹ Ang. I.

DEAR HERR VON WEIZSÄCKER: Here are some comments on your conversation with Motta (your memorandum of January 24).²

After a diplomatic dinner quite recently, Minister Dinichert explained to me in his usual diffuse manner that there was widespread uneasiness in Switzerland on account of German designs on Swiss territory. For this newspaper articles were not so much to blame as, in particular, sketch maps which show the German-Swiss areas as belonging to Germany. Shortly after he assumed power in Italy, Mussolini, who previously had often stressed the Italian character of the Ticino, reassured Switzerland by a public declaration that Italy had no evil designs on Switzerland.³ (I am not familiar with the text of Mussolini's declaration.) The Swiss Minister now suggests that a similar declaration might be made by an authoritative German quarter. I replied that it would be difficult to find in Germany an authoritative quarter which would be prepared to make such a declaration. They would run the risk of making themselves look ridiculous, as no serious person in Germany was thinking of interfering with the integrity of Switzerland in any way. In view of the tendency to slander prevalent

¹ See document No. 457, footnote 2.

² Document No. 457.

³ Marginal note at this point: "H[err] v. Rintelen, can you identify the declaration made by M[ussolini]? R[enthe-F]ink], Feb. 1." In a minute of Feb. 19, 1935 (8554/E598513-14) Lorenz, of Department II, reviewed the pronouncements on Switzerland made by Mussolini from 1921 onwards and concluded: "It would appear that the Swiss Government would welcome the reassuring statement for which they have asked us, precisely in order to make use of it *vis-à-vis* Mussolini." The material on which this minute was based has been filmed on Serials 8548 to 8551.

today, such a declaration would, as far as other foreign countries were concerned, have the opposite effect to that desired, as an attempt would at least be made to establish that there were grounds for German assurances of this nature. This, however, is not the case. In any event Switzerland could quite easily obtain a declaration regarding her integrity indirectly through the Danubian Pact,⁴ for, as far as we were informed (at the time), the Rome proposals contained a declaration with regard to the integrity and independence of the participating States.

Yesterday evening, also after a diplomatic dinner, Minister Dinichert spoke to me about our previous conversation. With an obviously guilty conscience he told me that he had reported on our conversation, not officially but personally and, to a certain extent, privately, to Federal Councillor Motta, his old friend and patron. The latter had made use of his knowledge of the conversation in an interview with you. He asked whether I knew of this and whether you had reported on it. I answered the latter question in the negative, as your memorandum of January 24 had not yet been submitted to me, and I also told him that he need not have a guilty conscience, I had no objection at all to his informing Councillor Motta or even his Government of our conversation even though this had taken place on a social occasion and not at the office. The Minister repeated his earlier arguments, but while he had previously emphasized that he was only putting forward his own views, even though based on a knowledge of Swiss opinions and feelings, this time he emphasized that Federal Councillor Motta had the same views on the matter as he had. He assured me, however, that he had also reported to Berne on my arguments in respect of the inexpediency and possible consequences of a German declaration regarding Switzerland. The strongest argument for complying with Switzerland's wishes appeared to him in this second conversation to be the analogy provided by Italy, i.e., the assurance which Mussolini had publicly given after assuming power in Italy. I repeated my point of view and also failed [*sic*—? did not fail] this time to point out to the Minister that a declaration regarding Switzerland would be bound to have the unpleasant consequence that other countries would also demand a similar one for themselves, so that we should eventually be in the awkward and ridiculous position of having to give assurances to all sides that we were not robbers at heart and were not lying in wait for our neighbours. The Minister did not altogether give up hope of a German declaration, but emphasized that he, and apparently Motta, too, realized that a German declaration could hardly be expected unless there were a special reason for one. He expressed the hope that if any serious misunderstanding arose Germany would still be prepared to make a declaration in the desired sense.

⁴ See documents Nos. 408 and 409.

I told the Minister that he had obviously understood what I had said at the time aright, but that he had perhaps overlooked one point, namely my remark about the Danubian Pact. It could not be foreseen at present what form this pact would take and whether it would come into being at all. I understood also that Switzerland did not wish to assume political guarantees in respect of other countries. Section 2 dealt with the suppression of terrorist organizations and conspiracies and I should be sorry if Switzerland excluded herself from participation in such arrangements, which had now become particularly relevant in consequence of the assassination at Marseilles.⁵ If a pact came into being under which the other Powers gave certain assurances amongst themselves in respect of independence and non-intervention, while Switzerland limited herself to participation in combating political crimes, then the question might perhaps arise as to whether the other Powers should make unilateral declarations to Switzerland in respect of her independence and integrity. The Minister rejected very emphatically the idea of Switzerland's participation in the Danubian Pact as being contrary to all the traditions of Switzerland and to her foreign policy. He was, however, taken aback when I pointed out to him that if the other Central European Powers assumed obligations regarding the suppression of conspiracies and the like and took appropriate measures, Switzerland would quite automatically become the rallying point for unruly elements, and would have to bear a grave responsibility if she were not prepared to adopt similar supervisory regulations and to limit the right of asylum. I also told the Minister that when making our enquiries about the Danubian Pact, the question we asked was why the participation of Switzerland was ruled out from the start. I said that in view of the political origins of the draft pact this was at first understandable, but in the course of the Franco-Italian discussions the pact had taken on a different complexion and, in view of Marseilles, and to a certain extent in continuation of the discussion in the League of Nations on terrorist organizations,⁵ Section 2 had been added, in which Switzerland must be interested too, and within whose framework Switzerland was in any case of interest to the neighbouring States. The Minister admitted that here Switzerland might get into a difficult situation and that a revision of the right of asylum and its application did not come under the Swiss conception of neutrality and its traditional effects.

The conversation, which anyhow had lasted too long, was interrupted at this point by Mme. Dinichert who quite rightly said that her husband abused every opportunity of having a political discussion and that it was high time that the debaters were parted.

⁵ See Editors' Note, p. 468.

I should have written you the foregoing even if your memorandum on your conversation with Motta had not been to hand. I attached no importance to my first conversation with Dinichert because such after dinner talks with him and other diplomats here are part of the daily routine. Nor have I any intention of going more deeply into the matter or of continuing the conversation. For the time being there is no occasion for a German declaration with regard to the integrity and independence of Switzerland.⁶

With greetings and best wishes,

Yours ever,

V. BÜLOW

⁶ In a handwritten minute of Feb. 9 (M62/M001751), found in the files of the German Legation in Berne, Weizsäcker recorded that on receipt of Bülow's letter he had given M. de Stoutz, a head of division in the Swiss Political Department, a copy of the article on the interview given by Hess (see document No. 457, footnote 5).

No. 472

6680/H096149-50

Memorandum by an Official of Department IV

[BERLIN], January 31, 1935.

*Opinion*¹

*1. Opinion on the contracts:*²

They are, in their present form, economically unacceptable and politically undesirable, and that the more so the greater the extent of the German contribution.

Economically unacceptable because:

(a) the Chinese Governments are to be given German State credits without any security. Such procedure is without precedent. The Chinese financial situation is quite wrongly painted by Herr Klein in the most rosy colours, while it is in reality disastrously bad;

(b) the Chinese contribution, as regards delivery dates, amounts and nature of supplies, is left completely vague in the contracts;

¹ A covering note initialled by Voss and dated Jan. 31 (6680/H096145) reads: "S[eeckt-] K[lein] transactions.

¹ Opinion [the document here printed].

2. Review:

a. Political, Enclosure 1 [6680/H096151-56; see a 1 below].

b. Economic, Enclosures 1-4 [6680/H096157-66; see b 1-4 below].

Enclosures:

a 1. Extracts from Klein's correspondence and conversations with the Marshals [6680/H096174-76].

b 1. Contract with Canton [of July 20, 1934; 6680/H096177-81].

b 2. Oral report to Chiang Kai-shek about the barter contract with Nanking [6680/H096182-86].

b 3. Klein's report on his tour [6680/H096187-211].

b 4. Contents of special contracts with Canton [6680/H096212-13]."

² See documents No. 180, footnotes 4 and 6, and No. 301, footnote 1.

(c) while our contribution has in the main already been fixed, it is at present not clear whether the Chinese contribution is at all feasible;

(d) China's ability to make her contribution will only develop slowly, and in the time necessary for this development on the one hand the risks will increase and on the other hand our interest in China's contribution will become more and more doubtful (can one count on the continuance of foreign currency control for ten years?).

Politically undesirable because:

(a) the arming of Canton is detrimental to the interests of Nanking and

(b) the arming of Nanking is detrimental to Japanese interests, and the position of the German staff of advisers in Nanking will be made considerably more difficult for both of these reasons.

2. *Method of dealing with the contracts:*

As, according to information given by General von Seeckt to Minister Trautmann, the contracts have received the approval of the Führer and Chancellor³ and, as Herr Klein has at least hinted to the Chinese Marshals⁴ that he was acting on the instructions of the highest German authorities, *the question must first and foremost be clarified as to whether and to what extent these authorities are actually prepared to adhere to these contracts.*

The Foreign Ministry must in this connexion point out the economic and political objections, and efforts must be made to limit the extent of the German contribution as much as is practicable and to fulfil the contracts, in so far as it is thought essential to fulfil them, in as inconspicuous, innocuous and non-military a manner as possible.

V[oss]

³ A memorandum of Nov. 21, 1934, by Seeckt for the Legation at Peking (8987/E630218-19) on the barter transactions between Germany and China formed enclosure 1 to report No. 1096 of Dec. 16, 1934, from Peking (8987/E630204-17). In the memorandum Seeckt gave a brief account of Klein's negotiations, stating *inter alia* that Klein was authorized by the Reich Government to negotiate and had informed him on Nov. 16 that the preliminary contract had been approved by the Führer and the Government. Seeckt also stated that Chiang Kai-shek had made it a condition that negotiations should not go through diplomatic channels, hence this communication was to be treated as confidential. Seeckt added that opposition was expected from both the German and Chinese sides, the first sign being the *démarche* by the Chinese Minister in Berlin [see document No. 301]. In the accompanying report Trautmann commented on Klein's negotiations with both Nanking and Canton, queried some of his assertions, and expressed misgivings as to the risks involved in so grandiose a scheme and its consequences for normal trade with China.

⁴ Chiang Kai-shek and Ch'en Chi-t'ang.

No. 473

7825/E567700-04

The Ambassador in Italy to the Foreign Ministry

Telegram

No. 15 of January 31

ROME, February 1, 1935—12:25 a.m.

Received February 1—3:10 a.m.

II It. 234.

With reference to your despatch of January 27, II It. 178.¹

As already previously reported,² Mussolini could not receive me yesterday, but since I considered a personal talk with the Head of the Government to be advisable, I carried out my instructions today. Suvich was present at the conversation, which lasted an hour. I began by describing my impressions in Germany, which had made particularly plain to me the stability of the régime and the quiet statesmanlike line of political leadership. Mussolini listened to my remarks with great attention, whereupon I took the opportunity of criticizing the completely distorted and unsympathetic report of the Berlin correspondent of the *Corriere della Sera* of January 29, which criticism was taken in good part.

Passing on to foreign policy, I referred to the Reich Foreign Minister's conversation with Cerruti,³ about which Suvich had previously informed me on the strength of a telegram from the latter. Suvich then told me that according to information just received, virtual agreement between the French and the British had been reached. Both Governments would declare in a communiqué⁴ that unilateral violation of treaty obligations regarding disarmament was inadmissible, but that they were prepared for Part V of the Versailles Treaty to be cancelled if a disarmament convention were concluded and the requirements of security met by the conclusion of the Eastern Pact and the Rome Pact with Germany's participation, and with Germany returning to the League of Nations on a basis of equality of rights. Mussolini described this outcome as a success for British policy and asked about our views on the Eastern Pact. I said that we had not yet come to a definite opinion concerning the new French memorandum⁵; meanwhile I could say that it had not removed our misgivings. On the contrary, the Pact still contained elements which were unacceptable to us. We were

¹ Document No. 460.

² Presumably by telephone.

³ In memorandum RM 83 of Jan. 30 (7825/E567696-97), Neurath recorded that he had that day handed the French and Italian Ambassadors a German reply to the Rome Danubian pact, and enlarged upon it along the lines of the instructions accompanying it. See document No. 460.

⁴ See document No. 479, and footnote 2 thereto.

⁵ See document No. 440.

considering what would be the most effective way to proceed, since constant repetition of the same arguments by both sides was pointless. Mussolini thought that the affair was not without danger to us owing to an idea, which was being vigorously pursued by Russia, of a French-Russian alliance in case the Eastern Pact should fail. I replied that at any rate we preferred an open alliance to a pact which placed impossible obligations on us. In the case of the Central European Pact, the situation was different, inasmuch as the obligations contained in it were recognized by us as self evident principles. I gave an account of our views in accordance with instructions, first of all pointing out particularly the difficulties which had arisen through the Italo-French Consultative Pact. To my question whether this would remain valid after the pact of non-intervention came into force, Mussolini answered with a decided negative. It was only a purely temporary measure. As Mussolini, in the course of the conversation, displayed some scepticism regarding the conclusion of a pact of non-intervention, especially on account of difficulties made by the Little Entente, I pointed out that the Consultative Pact was a *fait accompli* and in that case would remain in force as the only reality; but this Pact in its present form lacked any kind of parity, because it did not provide for accession with the right to take the initiative, but only for an invitation by Italy and France to consult. Suvich thought that it was only a question of a protocol which, for practical reasons, could only mention France and Italy at first. Mussolini considered the argument put forward by me new and interesting; he said, in effect, that our misgivings were justified, but that, as already stated, only a temporary measure had been intended, while the pact of non-intervention had really been the final goal.

On the remaining questions the following is worthy of note:

The meaning of non-intervention: To the comments I made in accordance with my instructions, Mussolini replied that in his view a definition of the term non-intervention was necessary. Interference could be positive or negative in character; to act in favour of a régime was, in itself, intervention. In the meantime there was in practice no other way than for a Government themselves to decide whether another State was inadmissibly interfering in the affairs of their country. Support of a régime in power at any given time could not be laid down as a treaty obligation. Inadmissible interference, in his view, was such as was calculated to disturb the order and peace of a country, and should be so defined. Theoretical discussions in newspapers did not, of course, come into this, nor, in his view, should the mutual relations between Germany and Austria, arising from a common racial stock, be suppressed. With regard to the rights of the minorities, on this and other points the conduct of the Little Entente was such that he was very sceptical about the possibility of any agree-

ment being reached. The Little Entente demanded that the restoration of the Habsburgs should not be regarded as a domestic affair, that, further, revisionist propaganda should be stopped, but that, on the other hand, the treatment of minorities should be regarded as a domestic affair. An understanding on this basis was hardly possible. He saw far greater possibilities here than in the German point of view.

On the question of the special agreements, Mussolini and Suvich said that complete obscurity prevailed as to their terms; there had been no discussion here on this matter. I pointed out how serious it would be if the rendering of assistance and sanctions had been envisaged. They both emphasized again that there was still complete obscurity about this. Mussolini added that he personally was altogether opposed to such special agreements. If such were made, we were right in maintaining that they should be subject to the approval of the other parties and that it must be open to all to join.

With regard to the States that were to join, Mussolini emphasized that the participation of Switzerland was quite out of the question. In view of her neutral character reciprocity would be lacking and the Swiss Government would certainly not consider coming in. Britain would not join immediately. Meanwhile it could be presumed from British statements that Britain would make an express declaration of approval. This had been as good as settled in the preliminary discussions.

As far as the League of Nations was concerned, Mussolini said that he and Laval were agreed between themselves that the words "within the framework of the League of Nations" were just a phrase, but Laval needed it for public opinion in France. No real importance should be attached to them, and there had been no discussion on any practical results that might issue therefrom. Suvich added that, after all, registration of the treaty with the League of Nations was the minimum that had to be considered.

When I asked about further procedure, Mussolini said that the results of the London visit⁶ must first be awaited, and that then the only practical way would be to plan diplomatic discussions among the old Four-Pact Powers.⁷ I pointed out that difficulties might presumably be expected from Russia; this Mussolini vigorously disputed while he rather angrily and uneasily spoke about the policies of Litvinov and Aras;⁸ he was taking great trouble finally to convince the Turks that Italy had no aggressive intentions and that she was prepared to give every guarantee, but that he could not possibly give up the Dodecanese fortifications. Suvich added that separate diplomatic

⁶ i.e., the visit of the French Minister President and Foreign Minister; see footnote 4 above.

⁷ i.e., Italy, Germany, France and Britain; see vol. I of this Series, document No. 292.

⁸ Dr. Tewfik Rüstü Aras, Turkish Foreign Minister from March 1925.

discussions alone were possible at the present stage, while a conference would only be considered if the disarmament question were to be finally and generally settled.

A report assessing the conversation, and the attitude taken here regarding German political intentions, follows by the air courier arriving in Berlin the day after tomorrow.⁹

HASSELL

⁹ Report I 72 of Feb. 1 (not printed, 7825/E567712-16).

No. 474

5752/H039987-89

The Ambassador in Poland to the Foreign Ministry

A 16

WARSAW, February 1, 1935.

Received February 2.

IV Po. 796.

POLITICAL REPORT

Subject: Visit of Minister President Göring to Warsaw.

The invitation to a hunting party issued to Minister President Göring,¹ which in itself can be regarded as a friendly gesture by the Polish Government, has, by the way it was carried out, also given proof of a distinct desire to make this visit an act of special friendliness. Although, when invitations to such hunting parties are issued to other prominent foreigners, the order of precedence is maintained in accordance with the usual protocol, which in itself is fully representative of the visitors' rank, this time the importance of the visit has been especially emphasized by receptions, the provision of special trains, the presence of Ministers etc. Furthermore, Minister President Göring was placed in the centre of the whole company at the shoot itself, and every effort was made to ensure as far as possible that the hunting party was a success. As the desired measure of success was not achieved, another day's sport, which had not been envisaged, was eventually inserted in the programme in order to obtain the results desired by the Poles, which were in fact achieved. During the journey through Warsaw, too, Herr Göring received a special ovation. The trains on the outward journey were so arranged that it was possible for the Foreign Minister to give him lunch, and on the return journey, although invitations could only be sent out at the last moment, the Minister President, the Foreign Minister,² the Minister of the Interior,³

¹ In a memorandum of Jan. 21 (9659/E681028), Meyer recorded that Lipski had transmitted an invitation from the Polish Government for Göring to attend a shoot at Bialovice on Jan. 28 and 29.

² Dr. Leon Kozłowski.

³ Marjan Zyndram-Kościałkowski.

as well as the Marshal's closest military advisers, forgathered at the Embassy. That afternoon Marshal Pilsudski received [Göring] in audience; this audience lasted for two hours which is, by the standard prevailing here, unusually long and attracted sensational public attention. All this shows that the Poles obviously wished to make a particularly friendly gesture towards Germany, and I believe that the impression it made abroad at this precise juncture was also very welcome to the Polish Government.

As far as has at present been observed, it may be said that the visit was a great personal success for the Minister President. He obviously succeeded in winning Polish regard and apparently all with whom the Minister President came in contact were greatly impressed by his personality. It may already be said that his visit has materially contributed to strengthening German-Polish relations.

With regard to the substance of the political conversations held here, I assume that Minister President Göring will report on this direct to the Cabinet.

A separate report follows⁴ concerning the reaction of the Polish press to the Minister President's visit.⁵

MOLTKE

⁴ Not printed (5752/H039991-96); this was report J 241 of Feb. 4.

⁵ Marginal note: "The Chancellor is informed. L[ammers], Feb. 5."

No. 475

8118/E581514

State Secretary Lammers to Foreign Minister Neurath

PERSONAL

BERLIN, February 2, 1935.

Rk. 898.

DEAR REICH MINISTER: In accordance with your wishes I have submitted to the Führer and Chancellor the memorandum which you dictated after the Nuncio had visited you on January 26 last.¹ I take leave to send you copy of the letter (Rk. 11504) which I addressed to the Reich and Prussian Minister of the Interior² on behalf of the Führer and Chancellor under date of January 26 last. Even after the representations by the Nuncio, the Führer and Chancellor is unable to depart from the views set forth in this letter.

Yours etc.,

LAMMERS

¹ See document No. 459 and footnote 2 thereto.

² Wilhelm Frick.

[Enclosure]

8118/E581511

BERLIN, January 26, 1935.

Rk. 11504.

To the Reich and Prussian Minister of the Interior.

Subject: Negotiations with the Holy See.

I have the honour to reply to your esteemed communication of December 28 last—No. VI B 10349/3172³—that the Führer and Chancellor does not for the present intend to issue a declaration on the lines proposed by the Foreign Minister.

LAMMERS

³ Not printed (8118/E581507-10); this consisted of a covering note and a copy of a letter, dated Dec. 14, from Neurath to the Minister of the Interior, stating that the Nuncio wished to continue the conversations with Buttmann, of the Ministry of the Interior, on the practical application of Article 31 of the Concordat. The Nuncio had taken the opportunity of emphasizing how considerably a clear definition of the Reich Government's attitude to the so-called neo-paganism would contribute to easing relations with the Church and assist the Vatican in respect of disputed points in the interpretation of the Concordat. Neurath recommended that, in view of the political advantages of reaching agreement with the Catholic Church, the issue of an authoritative pronouncement forbidding State or Party agencies to promote "neo-pagan" movements should be considered.

No. 476

6680/H096146-48

Memorandum by an Official of Department IV

[BERLIN], February 2, 1935.

RECORD OF A CONVERSATION WITH PRINCE REUSS¹ ON
FEBRUARY 1, 1935

Present: Senior Counsellor von Erdmannsdorff, Prince Reuss and Secretary of Legation Voss.

The discussion resulted in further clarification of the matter on the following points:

1. With reference to the nature of Klein's mission:

It was pointed out to Prince Reuss, who had at first said that Herr K[lein] had negotiated as a private person only, that, as could be seen from his report on his negotiations and from the correspondence and records of conversations enclosed with it,² he had not acted as a private person, but as an authorized representative of official German authorities on a political mission. Prince Reuss replied it was quite correct

¹ Klein's representative and a member of a former German ruling house.

² See document No. 472, footnote 1.

that Herr K[lein] had acted on the orders of the Reichswehr Minister. It was also not surprising that the Chinese were aware of this, as a South Chinese Military Mission had been received by the Führer and Chancellor and by the Reichswehr Minister in the spring of last year.³ To what extent basic preliminary discussions had taken place at that time was an open question.

2. With reference to the political objections arising from the relations between Canton and Nanking and Nanking and Japan:

Prince Reuss said that the Reichswehr Ministry was in reality interested above all in the contract with Canton and that the parallel contract with Nanking would only be accepted in order to allay Chiang Kai-shek's suspicions. The Kuomintang, with whose representative here the German side was constantly in contact, was working for a settlement of the differences between Canton and Nanking. In addition, important information was expected from General Do i kim (Tu) [*sic*] who would shortly be arriving at Marseilles. He would be met at Lucerne, as the prospective date of Klein's departure from Genoa on February 13 was to be adhered to.

The misgivings on account of Japanese pressure on Nanking were shared; they were not however regarded as so very serious and urgent. In any case it was expected that it would be a long time before Japanese pressure would be noticeable in Canton too. And it was above all with Canton that the Reichswehr Ministry was concerned.

3. When it was pointed out that the exploitation of the ore deposits would take five to ten years and that during that time the risks might steadily increase while our interest in the delivery would perhaps wane, Prince Reuss replied that the President of the Reichsbank, Schacht, had advocated it and had even suggested the credits for the advance payment.

With reference to the extent of the advance payment to Canton, Prince Reuss said that it would amount to about 20 million Marks plus 12 million (for mines) plus 1.5 million (for railway projects) plus 300,000 (for investigating the ore deposits).

It has been established that workable deposits of ore exist, e.g., a rich molybdenum seam. In addition, a group of first class experts had been assembled who in six months would be able to produce all the necessary particulars.

4. With reference to the lack of certainty regarding the Chinese contribution, Prince Reuss said that everything had been based on the relationship of confidence built up with the Marshals. If that confidence proved unfounded then even the most precise contractual conditions would be useless.

V[oss]

³ No record of this visit has been found in the Foreign Ministry files.

No. 477

9140/E642572-75

The Minister in Czechoslovakia to the Foreign Ministry

A III 1 b 8 Eg.

PRAGUE, February 2, 1935.

Received February 5.

83-75 2/2.

POLITICAL REPORT

Subject: Conversation with Minister Krofta regarding the *émigrés*.

I saw Minister Krofta today on various matters. As usual, after we had dealt with these matters, we continued the conversation for a while. I asked him to have a look at the latest number of Otto Strasser's¹ *Revolution*, in which the murder of the German Führer and Chancellor is openly advocated. This led him to mention the "unhappy affair" at Záhoří² which neither of us had mentioned until then.

I replied that now that the clandestine radio station had been silenced, I was no longer interested in Záhoří. The rest was a matter for the public prosecutor. As, however, he had now raised the matter, I felt that I should say that with a little goodwill on the part of the Czechoslovak authorities the murder could have been avoided.

Krofta said a Note was being drafted on the matter. Their postal authorities and police were not up to standard; moreover, so young a State lacked experience in such matters.

I interjected that if he were trying to put the blame on the incompetence of his officials, I would have to refrain from comment. In my experience the real obstacle lay in the lack of goodwill shown by this State in all matters brought up for discussion with it by Germany. After being *en poste* in Czechoslovakia for fourteen years, I had come to the conclusion that the effectiveness of a German Minister in this State was practically nil. Krofta contested this, but was nevertheless remarkably subdued—more so than I had ever seen him. I therefore decided to go over to the attack.

¹ Otto Strasser joined the National Socialist Party in 1925, and left it in the spring of 1930 after a clash with Hitler and founded the "Kampfgenossenschaft" of which he became the leader. He published a weekly paper, *Die Schwarze Front*. Early in 1933 he fled to Prague via Vienna and the name "Schwarze Front" (Black Front) was then adopted by the groups represented in the "Kampfgenossenschaft".

² In a memorandum of Jan. 28, 1935 (9140/E642642-44) Bülow-Schwante recorded that the Foreign Ministry had been informed in December 1934 by the Intelligence Department [Abwehr] that broadcasts from a clandestine wireless transmitter, operated by the Black Front on Czechoslovak territory near Záhoří, were calling for revolution in Germany. Repeated representations by the German Legation in Prague achieved no results. During the night of Jan. 23-24 the announcer at this station, Rudolf Formis, was shot, and in the Czechoslovak police report, published on Jan. 25, three Reich Germans, who were said to have fled to Germany after the shooting, were named as being responsible. An unsigned memorandum of Jan. 31 (9140/E642645) records that the Gestapo had informed the Foreign Ministry that the three persons named in the Czechoslovak report could not be traced.

Záhoří, I said, was finished with. But another question was now coming to the fore: What was the Czechoslovak Government's attitude to Otto Strasser? I had the following points to make:

1) Strasser was an *émigré* and in his paper had for months past been inciting to revolution in neighbouring Germany, always with the tacit consent of the Czechoslovak Government. At one time the headline on the front page of the paper had read: "Hitler must die so that Germany may live!" The brilliant result of my representations, and of the Czechoslovak Government's "efforts", was that the headline now read: "The Hitler régime must die so that Germany may live!"

2) Strasser was the real originator of the clandestine radio station—look at his obituary on Formis—and should therefore be prosecuted under the laws of this country. But no Public Prosecutor would take any action.

3) As a result of Strasser's promptings, the clandestine radio station had for months been urging the murder of the Head of a neighbouring State—another offence against the laws of the adopted country. If these offences went unpunished, the *émigrés* in Czechoslovakia would be privileged in comparison with her own citizens, who were called to account for infringements of the law.

Was this situation to continue? If so, it was certainly time for us to show clearly to the world the gulf which yawned between M. Beneš' proud words at Geneva³ and the actual behaviour of his Government.

Krofta admitted frankly that "Strasser would have to be stopped". The man had been allowed too much liberty. He, too, felt that this could not continue. There were admittedly great difficulties. The Social Democrats—the internal political situation—the forthcoming elections . . . I interposed that these matters did not concern me. It was for the Government to gain sufficient authority within the country to enable them to fulfil their international obligations.

The conversation was conducted without personal animosity. We parted on friendly terms as always.

As this was a purely personal and confidential conversation, I would ask you not to make use of it either for foreign consumption or in your relations with Minister Mastný. It seems to me to show that, because of the handling of the clandestine radio affair, Beneš is exposed to strong attacks from the Agrarian Party, while, on the other hand, on account of the elections, he feels he is being greatly obstructed by his party, the Czech National Socialists, and by the Social Democrats. In the circumstances the conversation may, after all, not be altogether without effect.

DR. KOCH

³ Presumably a reference to Beneš' speeches at the meetings of the League of Nations Council of Dec. 7 and 10, 1934. For the texts of these speeches see League of Nations: *Official Journal*, December 1934, pp. 1723–1728 and 1745–1748.

No. 478

6693/H099769

Foreign Minister Neurath to Reich Minister Hess

BERLIN, February 4, 1935.

e.o. IV Chi. 225.

DEAR HERR HESS: The Führer and Chancellor has informed me that he is completely withdrawing his support from Herr F. Heye, about whom I have repeatedly reported to you.¹

The commission granted to Herr Heye in February 1934² as temporary German Commissar to initiate commercial relations between Germany and Manchukuo is therefore to be regarded as terminated with immediate effect.

Herr Heye, as well as the German Missions concerned, will be informed accordingly from here.³

With Heil Hitler!

Yours etc.,

V. NEURATH⁴

¹ See documents Nos. 24, 172 and 217.

² See vol. II of this Series, memorandum by Ulrich of Feb. 19, 1934.

³ This was done in a letter of even date (6693/H099772). Under IV Chi. 225, also of Feb. 4 (6693/H099770-71), Neurath instructed the Embassy in Japan to notify the Japanese Government. Copies of these instructions were sent to Peking, Kobe-Osaka, Tientsin, Shanghai, Hankow, Canton, Yokohama, Dairen, Mukden and Harbin (6693/H099773). In a letter of Feb. 22 to Erdmannsdorff, of which only an extract (6698/H099775) has been found, Dirksen expressed satisfaction at the decision regarding Heye, whose activities had harmed Germany's reputation; he was also grateful to Erdmannsdorff for opposing the suggestion of the Aussenpolitisches Amt that another Reich Commissar be sent out in Heye's place.

⁴ A copy of the letter here printed was sent to Keppler, the Commissioner for Economic Questions in the Reich Chancellery, under a cover note by Ritter (6693/H099770).

No. 479

7467/H181717

Memorandum by an Official of Department II

BERLIN, February 4, 1935.

e.o. II Abr. 198.

Lieutenant Colonel von Böckmann called on me this morning in order to enquire what we thought of the communiqué on the Franco-British conversations in London.¹ In this connexion he told me, and requested that the Foreign Minister should be informed, that the Reichswehr Minister believed that the idea of an air convention, as suggested at the end of the communiqué, offered certain advantages to us and for reasons of expediency should not be rejected. I informed

¹ The joint Declaration issued on behalf of H.M. Government in the United Kingdom and the Government of the French Republic as a result of the conversations between the British and French Ministers in London, Feb. 1-3, 1935. For the text see British Blue Book, Cmd. 5143 of 1936, No. 5.

Lieutenant Colonel von Böckmann that the Führer and Chancellor and the Foreign Minister had not rejected this plan in yesterday's conversations with the British and French Ambassadors, but had reserved a statement of the German views.² F[ROHWEIN]

² No German record of these conversations has been found. It was reported in the press on Feb. 4 that the previous evening the British and French Ambassadors had called on Hitler together and handed him the text of the Anglo-French Declaration in the presence of Neurath.

No. 480

8911/E621982

Memorandum by the State Secretary

BERLIN, February 5, 1935.

II Ts. 234.

With reference to Herr von Renthe-Fink's memorandum of February 4 on his conversation with the Czechoslovak Minister.¹

I consider it quite improper of the Czechoslovak Government to expect us to discuss with them a settlement of the *émigré* question outside the framework of the general negotiations on the Danubian Pact, thus dealing in advance with an essential point of the Danubian plan. I would suggest that this be made clear to the Minister should he approach us with concrete proposals.² BÜLOW

¹ Not printed (9140/E642651-53). In this memorandum Renthe-Fink recorded that Mastný had that day informed him that the Czech Ministry of Justice had addressed a request to the German Ministry of Justice for assistance in the arrest of the murderers of Formis (see document No. 477, footnote 2), and that it emerged from Mastný's further remarks that the Czechoslovak Government intended to suggest the conclusion of an agreement between the two countries to control the activities of *émigrés* who had sought asylum in Germany and Czechoslovakia.

² Marginal notes: (i) "To Herr v. Renthe-Fink immediately: Please stop today's telegram to Prague at once. K[öpke], Feb. 5." (ii) "Done. I have drafted a new telegram. R[enthe]-F[ink], Feb. 6." In telegram No. 10 of Feb. 6 to Prague (8911/E621983-84), the Legation was informed of Mastný's proposal and the decision to reject it, and was asked for a report on the Czechoslovak Government's unsatisfactory attitude over the *émigré* question. The Legation replied in Prague report A III 1 b 8 Eg. of Feb. 7 (8911/E621985-87).

No. 481

8115/E581039

The Ambassador to the Holy See to the Foreign Ministry

No. 53

ROME, February 5, 1935.

Received February 7.

II Vat. 143.

Subject: Note from the Curia on matters concerning the Concordat.

With reference to my despatch No. 511 of December 21, 1934.¹

¹ See document No. 394 and footnote 10 thereto.

In reply to our Note, A 711 [*sic*: A 771] of December 21, 1934, the Cardinal Secretary of State today sent me a Note, No. 387/35 of January 29, a copy of which is enclosed herewith.

BERGEN

[Enclosure]

8125/E581989-92

HIS HOLINESS' SECRETARIAT OF STATE

No. 387/35

THE VATICAN, January 29, 1935.

YOUR EXCELLENCY: The Holy See was able to gather from the Note of December 21,¹ the receipt of which I beg to acknowledge, that the Government of the German Reich have subjected the Notes from the Holy See of May 14 (with *Pro Memoria*)² and September 2³ "about the questions still outstanding regarding the application of the Reich Concordat, immediately to close study." The Holy See has, moreover, taken note of the statement by the Reich Government that they had refrained from replying in writing "because, as they have frequently indicated, they consider it more expedient to clarify and compose existing differences by way of oral discussions." The Holy See has no reason for opposing, on principle, this preference for oral discussions to an exchange of Notes if this should really be of benefit to the progress, dependability and value of the exchange of views. But the direct exchange of views has, in practice, hitherto not proved so much superior to the method of exchanging Notes as would have been desirable in the interests of both sides. Far be it from the Holy See to take up again the causes of the present delays, since the practical aim of reaching an early and lasting solution of the questions outstanding seems more important to the Holy See than retrospective considerations and arguments. In view of certain explanations contained in the [German] Government's Note of December 21, the Holy See attaches importance only to noting once again that the unanimous statements by members of the Hierarchy who attended the Berlin talks in June⁴ reflected a substantially different assessment of the nature of these talks. In this connexion it may perhaps be useful to the Reich Government, for the purpose of revising their opinion, to know that the record of the Fulda negotiations, which was already drawn up before the Berlin talks began, precludes the thesis that "the three Bishops delegated by the conference of the entire Hierarchy held at Fulda shortly before had been given sufficient authority to conclude binding agreements".

² Not printed (8115/E580676-749); see also vol. II of this Series, letter from Bergen to Neurath of May 24, 1934.

³ Document No. 195.

⁴ See document No. 50.

As far as the counter draft⁵ submitted by the Reich Government on the application of Article 31 of the Reich Concordat is concerned, the Reich authority in question knows from the Holy See's and the Bishops' written explanations, as well as from oral negotiations, the reasons why certain important Government counter proposals were not and are not acceptable to the Church. The Holy See hopes that the Reich Government will have an opportunity in the course of the consultations now in progress with the Apostolic Nuncio in Berlin of acknowledging more precisely the practical justification of the objections made by the Church and the conciliatory nature of the Church's proposals.

Since the questions still outstanding regarding the application of the Concordat do not apply solely to Article 31, and since the Holy See desires to provide the greatest possible assistance likewise in finding a solution of the other problems which are still outstanding, the Holy See ventures to point out, with reference to the desire for greater expedition also voiced by the Reich Government and to the preference the latter have expressed for oral negotiations rather than an exchange of Notes, that, *inter alia*, the following Notes and proposals by the Holy See still await settlement or a reply:

(1) Proposals and statements by the Holy See regarding the application of the Concordat, presented to Ministerialdirektor Dr. Buttman on October 28, 1933,⁶ particularly paragraphs A and B.

(2) The "supplements" hereto which were presented on the same day.⁷

(3) A Note from the Holy See to the Bavarian State Government, dated December 11, 1933,⁸ regarding interference by the State and the NSDAP with the Bishops' right to fill vacancies and concerning the acts of violence committed against Catholic priests.

(4) Proposals by the Holy See regarding freedom of the Catholic press, handed to Ministerialdirektor Dr. Buttman on February 11, 1934.⁹

(5) Note from the Holy See to the German Reich Government, dated May 8, 1934,¹⁰ regarding dual membership and the refusal of labour permits for members of the Catholic professional associations.

(6) Note from the Holy See to the German Reich Government, dated May 9, 1934,¹¹ regarding compulsory duelling for Catholic students [*Mensurzwang*].

⁵ See document No. 338, footnote 3.

⁶ Not printed (8115/E580132-36).

⁷ Not printed (8115/E580137-42).

⁸ Not printed (8115/E581078-81).

⁹ Not printed (8115/E581112-13).

¹⁰ Not printed (8115/E580654-55).

¹¹ Not printed (8125/E581945-47).

(7) Note from the Holy See to the German Reich Government, dated May 9, 1934,¹² with regard to questions concerning the training of priests and to the obligations of university lecturers in Catholic theology.

(8) Note from the Holy See to the German Reich Government, dated June 1, 1934,¹³ regarding the intended reduction in the number of faculties of philosophy and theology in Bavarian universities.

(9) Note from the Holy See to the German Reich Government, dated June 11, 1934,¹⁴ regarding the police ban on Catholic religious films in Munich.

(10) Note from the Holy See to the German Reich Government, dated July 18, 1934,¹⁵ regarding the suppression of Catholic church schools in Hesse.

Concurring with the Reich Government's desire that an expeditious settlement of the questions on the application of the Concordat dealt with in the aforementioned Notes shall no longer be delayed, the Holy See looks forward with interest to receiving a statement of their views.

I avail etc.,

E. CARD. PACELLI

¹² Not printed (8125/E581948-51).

¹³ Not printed (8124/E581633-39).

¹⁴ Not printed (8116/E581232).

¹⁵ Not printed (8115/E580792-97).

No. 482

6144/E459640-42

Minister Koch to Senior Counsellor Rödiger

TOP SECRET

PRAGUE, February 5, 1935.

zu II Ts. 201.¹

DEAR HERR ROEDIGER: In reply to your kind letter of the 2nd of this month, II Ts. 201,¹ I should like to say that there is no doubt that we are much interested in as strong a representation as possible of Sudeten Germans with nationalist leanings in the Parliament of this country, and that it would be a mistake to economize on the means which could bring us nearer to the realization of this interest. In this respect the sum requested seems to me by no means too large. Nevertheless, I

¹ Not printed (6144/E459637-39). With this letter Rödiger sent Koch a copy of a memorandum by Renthe-Fink, dated Jan. 31, in which it is recorded that Steinacher and Ullmann of the VDA had suggested that the Henlein Front be given a subsidy of 3 million Kč (300,000 RM) to help it fight the forthcoming Parliamentary and communal elections. The Minister of Finance had that day granted his approval in principle provided the Foreign Ministry backed the request. Renthe-Fink had drawn attention to the political desirability of strengthening the Henlein Front, but had said he thought the sum too high, and had asked that the Prague Legation be consulted. Care would have to be taken to ensure that the German Government could not be accused of interference in Czechoslovak affairs. In his letter Rödiger asked for Koch's comments.

should like to put it to you for your consideration whether the proposed method of subsidizing would really serve to obtain the result we desire, and whether it might not even damage our interests.

My regular reports make it evident that the Czechoslovak State machine works with a host of secret agents from whom, according to my experience over many years, nothing that is of any importance at all in this country remains hidden, even for a short while. A supply of funds on so large a scale would therefore certainly not remain secret, and the result would undoubtedly be the suppression of the Sudeten German Homeland Front, even before the elections. As I have already reported, the Sudeten German Homeland Front is in constant danger of being banned. M. Beneš and his press, as well as the Social Democrats in the Government, have already been demanding a ban for some considerable time. Since the quarrel between Henlein and Spina² there are now only the Czech Agrarians left who, on account of their own interests in the elections, have so far prevented the imposition of a ban on the Henlein movement. Should it become known that the Henlein Front has financial connexions with the Reich, Henlein would immediately be disowned by the Czech Agrarians and his Front would be banned.

Furthermore, I should like to point out that even if, in the absence of any kind of compromising action on our part, the Henlein Front should not be banned, it is by no means certain that Henlein's movement will be registered as a party under the new law governing parties, that is to say, that it will be declared qualified for parliamentary representation. Besides, a lively debate is at present going on within the Government between M. Beneš and his followers, on the one hand, and his opponents, on the other, regarding the registration of the Henlein Front as a party. Should the movement be banned, or not registered as a party, the subsidies granted to Henlein would naturally be lost.

I feel I must not fail to point out the risk we ourselves will run if we act on the lines suggested, not so much by the loss of funds as by endangering the movement itself. A way out of this might perhaps be found if some prospect could be held out to the movement that, after achieving success in the elections, it would receive help to discharge any debts it may have incurred. Even then we would naturally have to proceed with extreme caution.

Furthermore, I should like to say in strict confidence that—as the initial proceedings brought by the Public Prosecutor against followers of the Henlein Front in Brno³ have again shown—it is an unfortunate

² Czechoslovak Minister of Public Health; Leader of the German Agrarian Party.

³ It is stated in the surviving fragment of a report sent to the Foreign Ministry under cover of a letter from Hans Krebs (see document No. 523, footnote 2) of Jan. 18 (M23/M000885-87), that this trial was of former officials of the Kreisleitung on charges alleging a secret programme and relations with the Reich German Party. The relevant secret file is one of those accidentally damaged by fire in 1943.

fact that neither the Sudeten German Homeland Front nor the VDA always act with the necessary caution. In my view, when election aid is given, a greater degree of security should be guaranteed precisely for the sake of the Henlein Front. Last but not least I would like to point out, in strict confidence, that I have constantly and even quite recently been receiving complaints from confidants in the National Socialist movement here to the effect that while there are certainly no personal objections to the leader, Henlein, there are, however, among the men in his immediate circle still some who in their hearts reject the Third Reich and who, as one of the leading National Socialists told me, while indeed being quite willing to accept funds from the Reich, would prefer to use them for the purpose of developing a policy like that of Herr Dollfuss in Vienna.

Yours etc.,

WALTER KOCH

No. 483

7467/H181799-804

The Ambassador in Great Britain to the Foreign Ministry

A.542

LONDON, February 6, 1935.

Received February 7.

II Abr. 232.

Subject: Statements made by the First Secretary of the French Embassy about the British and French Ministers' discussions.

I have the honour to enclose a memorandum by Counsellor of Embassy Prince Bismarck on a conversation which was sought by M. de Margerie, the First Secretary of the French Embassy here. M. de Margerie stated that the purpose of his visit was to explain some details in the statement on the British and French Foreign Ministers' conversations.¹

HOESCH

¹ See document No. 479, footnote 1.

[Enclosure]

LONDON, February 6, 1935.

Yesterday evening the First Secretary of the French Embassy, M. de Margerie, called on me in order—as he himself expressed it—to explain more fully some details of last Sunday's Anglo-French communiqué. M. de Margerie, who had been present throughout the negotiations, went through the communiqué with me in detail. He thought there was little to be said about the first two paragraphs. The reference to the conciliatory spirit shown by all the Governments concerned with the questions recently settled by the League of Nations

expressly included Germany too, on account of her cooperation in the Saar question. He had no particular statements to make on the two paragraphs about the Rome Agreements.

In the following paragraph, Margerie too attached most importance to the phrase "a general settlement freely negotiated",² as this was intended to express Germany's absolute equality of rights. In addition, he repeatedly and emphatically stated that the four items, which it was proposed to negotiate together and simultaneously, were interdependent and represented a whole, and that if one of these items were not accepted, the other three could not come into force. It was clear that in saying this he wished particularly to draw attention to the necessity of concluding an Eastern Pact, and he countered my argument that this would not mean any increase in French security, by saying that today every local conflict, even in Eastern Europe, was bound to end in a general conflagration, and that it was therefore essential to take every precaution to exclude this danger. Moreover, this was a request which had been made by Russia, the Little Entente, the Balkan Entente and by Turkey, and which France could not have ignored. The Little Entente represented today a very real power factor and it was no longer the case that this Entente only continued in being because France afforded it her protection. In particular the foreign policy of the Little Entente had also been strengthened by the latest Italo-French agreements, which would naturally lead to a curtailment of the Hungarian revisionist demands and therefore of revisionism altogether.

Concerning the Eastern Pact, Margerie also let it be seen that the whole legacy left by Barthou was anything but welcome to Laval but that he could not abandon it for reasons of domestic policy. Nevertheless, the air convention which was expressly intended for "Western Europe"² might make a breach in this policy because, as I well knew, the Russians had taken it in very bad part.

Continuing his comments on the text of the communiqué, Margerie said, referring to the sentence that begins with "Simultaneously"² and which deals with the replacing of Part V of the Versailles Treaty, that the present version was due to the initiative of the British who put the main emphasis on the word "simultaneously".² It was precisely by dealing with all the problems *simultaneously* that it was hoped to meet German wishes, and it would not be very easy for the French Ministers to make it clear to their Eastern friends that the French thesis of "security before disarmament" no longer held good. It was precisely the Little Entente, and Poland as well, who had always spoken most bluntly against according Germany equality in armaments, and in the case of Poland, in spite of all the assurances of friendship

² The words in quotation marks are in English in the original.

between Germany and Poland, they had always trodden warily where this point was concerned.

The conception of a convention against air attack had first been discussed between Flandin and MacDonald on the Thursday evening, at a dinner at Londonderry House. As to what had led to such a proposal, it should be borne in mind that its purpose was to try first to prevent the risk of a sudden air attack, possible even in advance of a declaration of war—like the Japanese fleet's attack on Port Arthur in 1904, which had been expressly mentioned in this connexion. Beyond this it was also intended that this convention should serve to ban all air attacks, since in future the very difficult question of determining the aggressor with reasonable certainty would be solved by declaring that State the aggressor which went into action beyond its own frontiers by bombing or machine gunning from the air. Each State would therefore reflect very carefully before launching an air attack and exposing itself to the danger of making enemies not only of the victim of the aggression but also of those neighbouring States which were signatories to the treaty. In the passage dealing with the air convention the words "Western Europe"² were important, as they were intended to indicate that such a treaty could be concluded for Western Europe even without Italy. Margerie further drew special attention to the expression "promptly negotiated".² The word "promptly" was used only in connexion with the air convention, but was not used in connexion with the general settlement and the conclusion of the Pact; in other words, the air convention must be considered as a special arrangement which should be speedily concluded without regard to the negotiations on the other subjects, which, as mentioned above, were interdependent. The last paragraph of the communiqué dealt exclusively with the air convention and was remarkable inasmuch as it spoke of "The Governments of France and of the United Kingdom"² whereas the communiqué earlier spoke of "the British and French Ministers".² The phrase "The Governments, etc." was meant to make it plain that it was no longer merely a matter of agreement amongst the Ministers alone, but that the Cabinets, as such, had approved this agreement. This phrase was put into the communiqué at the British request after the Cabinet meeting on Saturday.

Concerning the significance of the air convention in general, Margerie said it was intended to provide the French Ministers with a bridge for retreating from the position adopted by Barthou in his Note of April 17,³ on the grounds that the air convention created a new factor, and on the assumption that, once a convention on air security was obtained, this, as soon as it was feasible, must without further ado bring in its train military and naval assistance too.

BISMARCK

³ See document No. 4, footnote 7.

No. 484

8627/E604753-56

Minute by an Official of the Economic Department

BERLIN, February 7, 1935.

zu W 11400.¹zu W 589.¹

The newly appointed Commercial Counsellor at the Turkish Embassy, Avni Bey, called on me yesterday in order to discuss the present state of German-Turkish commercial relations. Avni Bey, who is known to me from our negotiations in Ankara last year—he was then Sub-director of the Commercial Treaties Department of the Turkish Ministry of Economics and helped us through his consideration and understanding in the negotiations—asked me how we envisaged the further development of German-Turkish commercial relations. He said he had heard that we were contemplating making certain proposals for amending the treaties at present in force.² He could understand that developments in the past few months regarding the trade balance had caused us some anxiety. It should not be forgotten, however, that by far the greater part of Turkish exports to Germany were seasonal, and naturally therefore they regularly showed a very large increase during the months from September to the end of January. At the end of January, or at the latest in the middle of February, the season was over and during the following months only negligible quantities of Turkish export products, e.g., a little tobacco, carpets and perhaps, in addition, negligible quantities of cotton, were exported. Then the picture of the German-Turkish trade balance would probably again show a balance in Germany's favour.

He had therefore not been able to understand why now, at the end of the Turkish export season, a whole string of Turkish applications for the issue of foreign exchange permits had, contrary to the terms of the treaties, been refused by the control offices.³ In the past ten days from twenty to twenty-five such cases had been reported to him. The Embassy had up to the present tried to reassure both the Government departments in Ankara and the persons affected. He feared,

¹ *Notes verbales* from the Turkish Embassy of Dec. 11, 1934 (8627/E604750) and Jan. 16, 1935 (8627/E604751) respectively, both drawing attention to the fact that the *note verbale* of Nov. 17, 1934 (5667/H013671-78), dealing with the difficulties placed by Germany in the way of imports from Turkey, had not been answered.

² German-Turkish commercial relations were regulated by the Commercial Treaty of May 27, 1930, published in League of Nations: *Treaty Series*, vol. cx, pp. 9-94; a protocol regulating commercial exchanges and payments of Aug. 10, 1933 (5667/H013844-52); and an agreement supplementing the Commercial Treaty, signed in Ankara on Apr. 19, 1934 (for the text see *Reichsgesetzblatt*, 1934, Pt. II, pp. 171-204).

³ Instructions contained in a communication, II 01680 of Jan. 18, 1935 (8627/E604764-65), from the Reich Ministry of Economics to the Reich Office for the Control of Foreign Exchange, placed immediate restrictions on the monthly allocation of foreign exchange for imports from Turkey.

however, that serious difficulties would arise if the control offices persisted in this attitude.

I told Avni Bey in reply that we were in fact not satisfied with the developments of recent months. We could no longer accept a further development of German-Turkish trade relations on the lines of the past few months. Moreover, the introduction of the new plan last year,⁴ which created an entirely new legal basis for German commercial policy, made an adaptation of the existing treaties with Turkey to the new principles of German commercial policy essential. We thought that this would be best achieved by oral negotiations. We should be making proposals to this effect to the Turkish Embassy in the next few days. That occasionally this or that control office might have refused applications for the import of Turkish products, I did not think impossible, particularly if they concerned products which were not classed by us as vital. Of course the terms of the treaties would have to be complied with as long as they were in force. We should nevertheless probably be compelled, as a precautionary measure, to give notice to terminate the German-Turkish Clearing Agreement⁵ before the negotiations began.

Avni took this information quite calmly and merely asked for information as soon as possible regarding the proposals which we contemplated making at the negotiations.

He then brought the conversation round to the egg question and complained that for the month of February only a very small quota had once again been granted. He asked me to make appropriate representations to the competent authorities. I promised to do this, with the proviso, however, that in Turkey's own interests I did not consider it right finally to settle the annual quota for Turkish eggs now. I considered it better to reserve this question for the negotiations and until then to be satisfied with a provisional solution. I would certainly do my best to see that an appropriate quota was granted for the month of February. I afterwards spoke to Ministerialrat Schefold of the Reich Food Ministry about the egg question and proposed that Turkey should be granted a quota of 100 tons for the month of February. He agreed that this request was justified and said he would obtain the approval of his department.

The Turkish Embassy will be informed in the course of this week that we propose that the Turkish Government should send representatives to Berlin to discuss outstanding questions.⁶

KROLL

⁴ See documents Nos. 175 and 207.

⁵ i.e., the protocol of Aug. 10, 1933; see footnote 2 above.

⁶ In a *note verbale* of Feb. 12, 1935 (8627/E604757-59) the Turkish Embassy was informed that the German Government were willing to enter into oral negotiations embracing all current questions regarding German-Turkish trade, and that they wished to terminate the German-Turkish Clearing Agreement on May 1.

No. 485

8825/E614187-92

Consul General Radowitz to Ministerialdirektor Meyer

CONFIDENTIAL AND PERSONAL

DANZIG, February 7, 1935.

DEAR HERR MEYER: I enclose a memorandum on the conversation I had yesterday with Lester. He said much more to me than I have put in the memorandum and he was in a state of great excitement. He thinks Greiser two-faced and unreliable; I tried to persuade him that this was not so—I fear without success.

The atmosphere here is strained. Greiser wants to act the strong man, without having a proper understanding of what he can or cannot do as President of the Senate.

He has made three big speeches in the past ten days (partly in public and partly before private audiences—and here in Danzig that also means in public) all of which were objectionable from the High Commissioner's point of view—very clumsy and ill-considered.

I fear a gradual deterioration in the situation and much displeasure in the Council of the League of Nations, to which Lester is naturally reporting confidentially.

This is something which we could very well do without at this juncture. In these circumstances I would suggest that Berlin should apply the brakes as soon as possible in some suitable way, so that the machine does not gather so much speed as to make it very difficult to stop later on.

I was unfortunately unable to speak to Greiser today, as he was too busy with meetings of the Senate etc. As soon as possible I shall, however, make quite plain to him my views on the situation in the light of my conversation with Lester. I will immediately inform you as to how this is received.¹

With our best wishes to you all,

Heil Hitler,

Yours etc.,

RADOWITZ

[Enclosure]

MEMORANDUM

DANZIG, February 7, 1935.

On February 6, 1935, I called on the High Commissioner for one of the series of conversations which I am currently having with him, and

¹ In a letter of Feb. 8 (8825/E614185-86), Radowitz informed Meyer that he had that day had a long conversation with Greiser who disclaimed any intention of causing difficulties with the High Commissioner, as he entirely shared Hitler's and Neurath's view that there must be no disturbances in Danzig.

in order to hear from him what were the most recent impressions he had gained. He received me with some agitation, and during the entire conversation he appeared to be considerably annoyed and worried. His actual remarks were to the following effect:

In Geneva, President Greiser had given both Lester himself and Eden the most comprehensive assurances that he would observe the Danzig Statute most carefully and punctiliously, and, in particular, he had promised to try, by entering into negotiations with the Catholic Party in Danzig and with the Catholic priests, to settle the complaints which had been laid before the Council.² On returning to Danzig the President had seen fit at a public meeting to accuse the Catholic priests of disingenuousness and also to make other derogatory remarks about the Centre Party. In his view this action was not "fair".³ When one had made the most solemn promises to settle a case of this kind through negotiation, then one could not open these negotiations by insulting one's opponents at a public meeting.

Furthermore, the President had, on the day of his return, seen fit to suspend the *Danziger Volksstimme*, the Social Democrat Party's paper, for a month. As this suspension did not in itself appear justified, his [the High Commissioner's] deputy, Giustiniani, had, on January 26, already asked the Senate to state their views, and, in particular, to list such phrases in the articles as they considered illegal. It was now February 6, and he had still not heard anything from the Senate about this matter. He must make it clear that he did not intend to tolerate such methods any longer. It was his absolute right to demand information of this kind from the Senate. During the entire time that he had been in office he had attached the greatest importance to asserting his rights only in the most amicable and loyal manner, so that he must regard such treatment as all the more insulting, both to him personally and to the Council of the League of Nations whose representative he was. If Geneva were to hear of it, the Council would take it as a "flap [*sic*] in the face".³ He wondered whether the President's attitude since his return to Danzig, which, in his view, could not be reconciled with the statements which the President had made in Geneva, should be regarded as symptomatic of a new attitude on the part of the Senate.

On this occasion the High Commissioner even went so far as to ask me, personally and confidentially, whether some influence emanating from Berlin might not be affecting the President's attitude. Although I had so far listened to his remarks more or less in silence—merely reminding him of the President of the Senate's long absence and of the

² At the eighty-fourth Session of the Council of the League of Nations, held in January 1935. See League of Nations: *Official Journal*, February 1935, pp. 139-141.

³ In English in the original.

fact that he was overworked—I now told the High Commissioner quite firmly that this idea was quite absurd and that I must ask him emphatically to dismiss it from his mind once and for all. Berlin, as I could quite definitely assure him, was most profoundly concerned that Danzig's affairs should be conducted in complete peace, without any complications and, if possible, without bringing in the League of Nations. I also told him that I considered it my special task here to cause this desire of the German Government's to be met and that he should always think of me as an honest broker.

The High Commissioner then turned to the matter in connexion with which he had sent me on February 6, for my personal and confidential information, the annexed copy of his letter to the Senate of February 6.⁴ I told him in this connexion that the matter was an unpleasant and painful one for me and that I would have preferred it if he had not written this letter but had confined himself to stating his objections to the President of the Senate on some suitable occasion by word of mouth. From his reply it seemed to me that Lester himself felt that he had acted somewhat hastily; he told me that he would retract this letter forthwith if the Senate should at any time say anything about it to him.

At none of the many conversations I have had with him did I find the High Commissioner as annoyed and worried as on this occasion. His feelings finally found expression in the remark: "If the Senate do not radically change their attitude, Danzig must be prepared for a meeting of the Council in May which might have highly unpleasant consequences for the Free City."

RADOWITZ

⁴ This letter (8825/E614193) drew attention to the fact that the use of the salutation "Heil Hitler" on official documents emanating from Danzig authorities might lead to a misunderstanding of the treaty position of the Free City of Danzig.

No. 486

4923/E257153-56

The Reich Ministry of the Interior to the Foreign Ministry

BERLIN, February 9, 1935.

Received February 10.

With reference to your No. 82-35 A 6/1 of January 14.¹

I enclose a copy for your information. I reserve the right to communicate with you further.

At the suggestion of the Führer's Deputy, the text in paragraph 6,

¹ Not printed (4923/E257152). In this letter the Foreign Ministry expressed its agreement with a draft circular of the Reich Ministry of the Interior (4923/E257148-51), of which the enclosure to this document is the final version.

sub-paragraph 1, of the enclosed circular has been amended from that of the draft transmitted with our letter I A 924/5012 of January 6, 1935.²

By order:
PFUNDTNER³

² The covering letter (4923/E257147) under which the draft circular (see footnote 1 above) had been sent to the Foreign Ministry. This letter was also addressed to the Führer's Deputy.

³ State Secretary in the Reich Ministry of the Interior and permanent deputy to the Minister.

[Enclosure]

The Reich Ministry of the Interior to the Reich Ministers

MOST URGENT

BERLIN, February 9, 1935.

CONFIDENTIAL

I A 384/5012

Subject: Eliminating the harmful effects of our racial policy on the foreign relations of the Reich.

At the invitation of the Foreign Ministry, a discussion took place on November 15, 1934,⁴ with the Reich Minister of the Interior (as the competent authority in the field of racial legislation), with the representative of the Führer's Deputy, with Dr. Gross, as head of the NSDAP's Racial Policy Office [*Rassenpolitisches Amt*] and with those Reich Ministries primarily concerned. The question was discussed as to how the detrimental effects of Germany's racial policy upon relations between the Reich and foreign States could be counteracted.

The Foreign Ministry explained the facts of the matter as follows: A year ago a meeting of the Heads of Ministries⁵ [*Chefbesprechung*] took place, with the object of counteracting the harmful effects of Germany's racial policy which were already at that time clearly manifesting themselves abroad. Pursuant to the resolutions taken at this meeting, the Reich Minister of the Interior then stated officially and publicly⁶ that the racial policy of the National Socialist Government was based not on the unequal quality [*Verschiedenwertigkeit*] but on the heterogeneity [*Verschiedenartigkeit*] of the races and that in consequence it combated the disadvantages of miscegenation. This announcement resulted only in a slight and temporary reassurance of public opinion in other countries, although it was made public in every possible way by the German Missions abroad.

Since the beginning of 1934 the harmful effects of Germany's racial policy have month by month become an ever more serious strain on relations with various foreign States. It transpired from the Foreign

⁴ See document No. 331.

⁵ The minutes of this meeting, which took place on Nov. 21, 1933, have not been found.

⁶ This statement was made on Dec. 5 and published in the press on Dec. 6, 1933. See vol. II of this Series, memorandum of Dec. 12, 1933, by an official of Department V.

Ministry's statements that foreign races and nations as a whole have frequently taken offence at Germany's racial policy both in its practical application to individual cases and in discussions in the press, as well as in proclamations. This caused foreign diplomatic missions to make representations and impaired political and economic relations with these States. This applies particularly to relations with Japan, India and other nations in the Far East as well as with South American and other States.

The authorities and Party offices represented on November 15 were agreed that the racial principles of the National Socialist ideology must not be affected even under strong political pressure from abroad. Nevertheless, the application of the racial principle in practice should not be allowed to lead to detrimental effects on our foreign policy out of all proportion to its success in internal affairs.

The Head of the NSDAP's Racial Policy Office stated on behalf of the Führer's Deputy that the NSDAP too, whilst maintaining its basic attitude to racial questions, shared the view that decisions on racial policy which might impair our relations with other States should be avoided. The principles of racial policy as applied in practice should be reconciled with the requirements of foreign policy.

The question as to how to find a remedy and how to allow for the requirements of foreign policy when applying the racial principle, received the following reply:

1. Decisions about the application of the legislation regarding non-Aryans, which may affect a foreigner of alien race (as also a stateless person), or a Reich national who is wholly or partly of alien stock, especially a member or descendant of the Japanese, Chinese or Indian races etc., are exclusively reserved to that Reich Ministry within whose sphere of competence the case falls. This does not affect decisions regarding Jews and persons of Jewish origin.⁷

The local authorities, or those authorities normally competent, are to refrain from taking decisions and are to pass on the dossiers to the appropriate Reich Ministry through official channels, unless such procedure is excluded by legal provisions for jurisdiction.

2. The decision shall be taken in each case by the appropriate Reich Minister in consultation with the Foreign Ministry, the Führer's Deputy (Racial Policy Office) and the Reich Minister of the Interior. The competent official for racial research [*Rassenforschung*] at the Reich Ministry of the Interior is to be notified of every decision taken.

⁷ In the Reich Ministry of the Interior's first draft (see footnotes 1 and 2 above) this paragraph had read: "Decisions through which disadvantages would be inflicted upon or from which disadvantages could arise for an alien of foreign stock (also a stateless person) or a Reich national who is wholly or partly of foreign stock—especially a member or descendant of Japanese, Chinese or Indian etc. blood—are specifically reserved. . . ." The remainder of the paragraph was as here printed.

The Führer's Deputy has stated that he is willing to send appropriate instructions to the Party branches.

In agreement with the Foreign Ministry⁸ and the Führer's Deputy, I request your early approval of these arrangements in so far as they concern your own province. I reserve a further communication until the replies from the Reich Ministers have been received.

This circular has been submitted to the Reich Chancellery for information.

⁸ The Foreign Ministry informed the Reich Ministry of the Interior on Feb. 21 of its approval of the final draft of the circular (4923/E257157).

No. 487

643/H000825-29

Circular¹ of the Foreign Ministry

BERLIN, February 11, 1935.

W IV Po. 666.

I enclose herewith a copy of a report from the German Embassy in Warsaw² which, before being distributed to the departments concerned, has been discussed here with the Ambassador in person. On the basis of this discussion, I have the honour to state the Foreign Ministry's point of view as follows:

Neither the Protocol on the settlement of the customs dispute,³ nor the German-Polish Barter Agreement of October 11, 1934,⁴ have so far come up to expectations. The Polish Government have in practice constantly attempted to make the trade balance between Germany and Poland favourable to their own country. This became particularly clear when the Polish Government took advantage of the fact that the balance was momentarily in Germany's favour to suspend most of the autonomous import quotas in order to ensure an immediate excess of Polish exports to Germany over German exports to Poland. This policy on the part of the Polish Government has been indirectly furthered by the fact that, owing to an unusually heavy German demand, numerous Polish products, above all timber, have been imported into Germany from Poland outside the Barter Agreement, and are still being imported. While fully appreciating the necessity for meeting the growing German demand for timber, I must, neverthe-

¹ The list of the addressees, who were evidently the Ministries and agencies concerned with economic matters, has not been found.

² Not printed (9398/E665527-45); this was report J. No. 2831 W of Jan. 23 which gave a detailed survey of the whole field of German economic relations with Poland.

³ Signed on Mar. 7, 1934; for the published portions of the text see *Reichsgesetzblatt*, 1934, Pt. II, pp. 99-100. The unpublished portions have been filmed as 9195/E646727-83 and 5643/H000903-14.

⁴ For the published portions see *Reichsgesetzblatt*, 1934, Pt. II pp. 829-830. The unpublished portions have been filmed as 9200/E647235-63.

less, point out that the imports which are being effected outside the Barter Agreement render the Agreement meaningless and purposeless because the Poles, in so far as they are still taking any German goods at all, are trying to offset them with Polish products, which Germany is not particularly interested in importing.

In the opinion of the Foreign Ministry it would not be right to tolerate this development any longer. The question arises whether the time has not arrived to try to place German-Polish economic relations on a broader and sounder basis than is provided for by the present agreements. From the point of view of our general policy *vis-à-vis* Poland, it would in any case be desirable to clarify our economic relations as well, and if possible to extend them. It is not my desire to discuss here whether in the present crisis it would be possible and advisable to conclude a formal trade treaty on a comprehensive basis. In any case, however, it appears to me desirable to ascertain from the Polish Government, through the German Embassy in Warsaw, whether they are prepared in principle to negotiate on a new settlement of German-Polish economic relations. What concrete proposals should be made to them will then depend on the Polish Government's reply.

Judging by the Polish Government's attitude so far, we may be fairly certain that they will demand that in any future settlement of this kind a favourable balance in German-Polish trade shall be assured to Poland. Economically, this demand is not justified in any way, but even from the point of view of general policy there are no reasons, at any rate at the present moment, for complying with such a demand. The main argument against such a demand on the part of the Polish Government is the actual state of German-Polish trade relations before the start of the German-Polish customs dispute. For commercial reasons, there are serious objections even to laying down an equal balance of trade between the two countries, which, compared with the present adverse German balance, would in itself mean a certain improvement. This is all the more true because Germany, as is made sufficiently plain in the Embassy's report, already has a heavily adverse balance of payments *vis-à-vis* Poland and must therefore endeavour to offset this deficit by a sufficiently large surplus of exports.

Should the Embassy in Warsaw make the proposed *démarche*, the Polish Government will probably demand, amongst other things, that Germany should first fulfil her obligations under Article 218 of the Geneva Convention and pay the Zloty amounts outstanding in respect of the transit traffic through the Corridor.⁵ In face of the present situation, I should not hesitate to counter such a demand with the argument that Germany, in view of the Reichsbank's present foreign currency position, could only comply with this demand if the amount of

⁵ See document No. 419.

Zloty required were obtained through a corresponding increase in German exports, and that, in particular, there should be no question of utilizing other foreign currency amounts held by the Reichsbank. In view of the Reichsbank's precarious foreign currency position, the obligations under Article 218 could in practice only be fulfilled if they were offset by the export of German goods to Poland. In consequence, we must demand that the Poles should reciprocate, at the very least, by promising to restore the autonomous quotas unilaterally abolished by Poland.

Important though it may be to continue to cultivate and develop general political relations with Poland, in accordance with the Führer and Chancellor's instructions, there is, as matters stand, little reason to express this altered political attitude in terms of unilateral economic favours and services unless Poland is also prepared to give us greater opportunities for development in the economic sphere. Other great Powers are not in the habit either of signalizing by unilateral economic concessions their friendly relations with countries to which they are bound by close political ties. In this connexion, I need only refer to the economic relations between France and her allies.

I would be grateful if the departments concerned would study the question *as quickly as possible* in the light of the Embassy's report and of the foregoing statements, and I reserve the right to bring it up for discussion very shortly by the trade policy committee. In the meantime, in view of possible discussions with the Polish Government on general trade policy, care should be taken to see that the competent supervisory offices handle the allotment of foreign currency permits in such a way that it does not in practice lead to any invalidation of the already existing agreements, lest, in any negotiations with the Poles on a wider basis, we should from the start be forced into an unfavourable position.⁶

By order:

RITTER

⁶ In a letter of Feb. 20 (9389/E665314-15), the Ministry of Economics and Labour expressed its general agreement with the course of action outlined in the document here printed. In a letter of Feb. 21 (9389/E665311-13), the Ministry for Food and Agriculture also concurred.

No. 488

6680/H096078-80

Memorandum by a Deputy Director of Department IV

[BERLIN, February 11, 1935.]¹

IV Chi. 292

Ministerialdirektor Meyer and I today called on the Director of the

¹ This document is undated but was initialled in the margin by Erdmannsdorff on Feb. 11.

Golddiskontbank, Reichsbankdirektor Jünne, and asked him about the state of the negotiations with Herr Klein.²

Herr Jünne stated that President of the Reichsbank Schacht and the Economic Commissioner with the Reich Chancellor, Herr Keppler, regarded the Klein project as very important, as they hoped that German-Chinese trade would receive from it a strong impetus resulting in a considerable increase in our raw material supplies; the Führer and Chancellor also appeared to be interesting himself in it. Klein has the support of the Army Ordnance Office [*sic*] (Colonel Thomas)³ since it attaches great importance to the prospective supplies of ores from southern China. With the support of Colonel General von Seeckt, he seems to have been very clever in winning the confidence of all the authoritative persons in Nanking and Canton. Herr Jünne said that the plans were to be welcomed on grounds of general national economy, but he had very serious misgivings on business grounds; there was no security at all. China's financial position was extremely precarious and it was very risky to give unsecured credits to Canton or Nanking; moreover Herr Klein had also not been able to furnish any precise details of the actual possibilities of mining ores and delivering raw materials. He had indeed tried to induce Herr Klein to ensure that the contracts provided for an advance payment by Canton. It was very doubtful, however, whether this would be possible. He was aware that the risks were exceedingly great; he had therefore informed Herr Klein that—if at all—in no circumstances could a larger credit than twenty million Reichsmark each for Canton and Nanking be considered, as any credit would be a trial credit, the possible loss of which must be reckoned with.

He was having enquiries made about Herr Klein. He had received an unfavourable report from the firm of Diedrichsen who had dismissed Klein some time ago.

Ministerialdirektor Meyer then pointed out that the Foreign Ministry warmly supported all plans designed to produce an additional exchange of goods with China, and every opportunity for receiving raw materials in exchange for industrial products should be utilized. The Foreign Ministry had also no objection, in cases where things necessary for the Army's requirements are concerned, to greater risks being taken than was generally the case in private business. A precondition was, however, that these raw materials could actually be delivered within the prescribed period and that there was a guarantee for their delivery, further that there should be a certain financial guarantee and, finally, that the carrying out of the transaction would not lead to political

² See document No. 476.

³ Col. Georg Thomas, who had been in the Army Ordnance Office since 1927, became Head of the War Economy and Ordnance Branch in the Wehrmachtamt in October 1934.

complications (between Nanking and Canton, and between China and Japan) and to its being dropped afterwards for that reason. We could not in any case risk a German financial *débâcle* in southern or central China. He could not yet give his final decision, but would first have to clarify some questions with Herr Klein.

Ministerialdirektor Meyer then supplied information regarding the statements made by Herr Klein about wolfram ores which, after enquiry in Canton, were found to be incorrect.⁴ It emerged that Herr Klein had made the same incorrect statements about the possibility of an early and very extensive exploitation of wolfram ores to President Schacht.

ERDMANNSDORFF

⁴ In telegram No. 5 to Canton of Jan. 29 (6680/H096054) Meyer made various enquiries about the Chinese export potential of wolfram; question four reads: "Is delivery by the Canton Government of 8,000 tons in a year possible?" In telegram No. 4 of Jan. 31 (6680/H096055) Altenburg replied that for 1934 the official figure for wolfram exports from Canton was 1,866 tons, the unofficial figure 4,075 tons, that roughly 1,000 tons were immediately available in the neighbourhood of Canton and that the figure of 8,000 tons was only possible in theory.

No. 489

7467/H181855-59

The Ambassador in France to the Foreign Ministry

Telegram

URGENT

No. 138 of February 12

PARIS, February 12, 1935.

Received February 13—1:15 a.m.

II Abr. 273.

For the Foreign Minister personally.

My intention of avoiding discussions with the [Foreign] Minister or with any other authorities on the London proposals¹ until I received instructions was frustrated by a telephone call from Laval, who is still ill, asking me to come to his house. To the Minister's questions I replied that I could give him no detailed information on the German Government's attitude, as I had no instructions. I could, however, tell him that we intended to examine the question carefully and without prejudice within the framework of the communiqué.

The Minister then began at once to speak of the air convention and pointed out to me the great advantages which it offered Germany. He said the convention meant not only a considerable increase in security for all the Signatory Powers as well as for Germany, but above all it legitimized German air armaments. He himself had drawn up the draft of the convention and had certainly observed that the British

¹ See document No. 479 and footnote I thereto.

were hesitant at first, since they could not decide upon guarantees for Italy for fear of thus being at some point involved in central European disputes.² These doubts he had overcome.

To my remark that the change in the French views as to the necessity of accepting the Eastern Pact and the Danube agreement before embarking on disarmament negotiations was at any rate a step forward, the Minister replied that the points discussed in the communiqué must, nevertheless, be negotiated simultaneously. Germany could not be allowed to accede to the air convention while dismissing one or other of the security projects as being of no interest to her.

I regretfully drew attention to the inclusion of the concept of "mutual rendering of assistance" in the London communiqué, saying that, as the Minister was aware, this was not acceptable to us either in the Eastern Pact or in the Danubian agreement. Its inclusion was materially blocking the way to really fruitful negotiations. The Minister replied that he was acquainted with our point of view and regretted it. He would, however, take our attitude into account. He visualized the inclusion of the principle of mutual assistance in such a way that France, Russia and Czechoslovakia would pledge themselves mutually to this, but that otherwise it would be left open to other States interested in the Eastern Pact to assume this obligation at a later date. My objection that such a treaty between France and Russia would, in the event, for instance, of a conflict between Russia and Lithuania, or Poland and Lithuania, or between the Baltic States, be more or less illusory because French reinforcements could not march through German territory since Germany would not allow it, made no impression on the Minister, nor did my argument that we could only have *one* interest in such conflicts, namely to remain neutral.

Seen from here, France's agreement to the air convention may be explained as follows: France will see, in the agreement of the Locarno Signatories to the air convention, the recognition of a policy directed towards the acceptance of the basic concept of immediate mutual assistance; and she is aware that this concept is more readily acceptable to Britain for the air force than for the navy or the army. If this convention is accepted, we must definitely expect a French proposal to extend the principle of immediate mutual assistance in the air to include all European countries. Thus France would be getting her own way, as regards the most important modern weapon of war, on the question of *assistance mutuelle*. A German refusal to allow the air agreement to be made general would also doubtless be used by France to represent our unfriendly intentions towards our Eastern neighbours and our drive towards the East as being incontrovertibly proven. The next step would be that France would conclude an air

² See also document No. 483.

convention on the same pattern with Russia, the Little Entente, and possibly also with Poland and the [Baltic] Border States and would, in this way, seek to bring about the encirclement of Germany in the air; in pursuing this object Russia would be the most important partner. Since today's conversation with military personalities also shows that they have a high opinion of the quality of the Russian air force, this policy would be approved both by public opinion here and by the General Staff.

That M. Laval will hold to the policy of closer relations with Russia whatever happens, may be taken as certain. The French have not only written off Poland as an unreliable customer, they must also wish to make clear to that country, by cultivating closer relations with Russia, that France can prove convincingly that a foreign policy carried on independently of France could become very dangerous for Poland. In addition to this there is a personal factor regarding Laval which must not be underestimated: he is Senator for the Seine *département* and has not attached himself to any party group. As you know from an earlier report,³ the abovementioned *département* forms a "red belt" which surrounds the larger part of Paris, and whose inhabitants are exhibiting increasingly strong communistic tendencies as a result of the deterioration of the economic position. As there can be no doubt that Moscow is highly active precisely in this area, Laval's fate in the Senate elections which are to take place in the autumn, is, indirectly, more or less in the hands of the Soviet Government. Laval is doubtless aware of this state of affairs. Even were the French not already tending in any case towards closer relations with Russia, we would have to conclude from the above fact that we must expect the present Foreign Minister to conclude a Franco-Russian pact on the basis of mutual assistance. The inclusion of Czechoslovakia in the system should not, in my view, be regarded as merely a façade; it may be connected with a plan to use that country as a base for Russian aircraft. When one considers that German aircraft must, in case of war, always return to German territory to be serviced, while, on the other hand, French and Russian aircraft only need to make a single journey across Germany for this purpose, one at once realizes the great danger which lies in this whole air problem.

To Laval's renewed question at the end of my visit as to when I thought the German answer might be expected, I replied that this whole difficult complex of questions required careful study, if only to avoid disappointments and undesirable repercussions on the whole European situation. In my opinion the efforts of both Governments could not be too earnestly directed towards causing the course of Franco-German relations to run as straight as possible and to preserve it from marked fluctuations.

KÖSTER

³ Not found.

No. 490

3242/712041-4

Memorandum by the Foreign Minister

BERLIN, February 14, 1935.

RM 133.

This afternoon I received the British Ambassador, and immediately afterwards the French Ambassador, in order to communicate to them our reply to the Anglo-French communiqué.¹ When I handed over our reply,² I spoke to the Ambassadors in the following terms: We were fully aware that efforts had been made at the London Conference not to offend us by creating the impression that it was intended once again to confront us with a *fait accompli*. Our reply was therefore also couched in the same conciliatory spirit. Moreover, we had in any case never rejected negotiations, provided they were based on full equality of rights for Germany.

As regards the various European problems which had been dealt with quite generally in the London communiqué, our reply was on the same lines. The British and French Governments were aware of our attitude to the various problems; we had fully stated our views on the Eastern Pact on September 8.³ Nor had the French reply,⁴ which we received a month ago, altered our views in this respect. As regards the Central European Pact, we were awaiting the reply to our enquiry.⁵

I said that in the matter of rearmament we had no proposals to make. The negotiations last year did not fail because of us. Moreover, I felt I should point out that since then the situation had been considerably altered by two factors, on the one hand by increases in the armaments of States which were in any case already heavily armed, and, on the other, by the change in political relations between certain European Powers. These factors were also of decisive importance for assessing Germany's defence requirements.

As regards the air convention, it was our view that this problem should be tackled soon. Agreement about an air convention would undoubtedly relax the tension considerably and make it easier to deal with the remaining problems. If we suggested that a German-British exchange of views should constitute the first stage in the negotiations for a convention, we did so, on the one hand, with complete frankness as our object, and, on the other, with a view to parity.

¹ See document No. 479, footnote 1.

² Not reprinted (3242/712045-47). It was published the following day. For the text see British Blue Book, Cmd. 5143 of 1936, No. 6.

³ See document No. 200.

⁴ See document No. 440, enclosure.

⁵ See document No. 460.

It must be realized that, since Britain and France had been conferring for so long, we would also want to begin by having conversations with one of the guarantors of the Locarno Treaty in preparation for the negotiations.

Both Ambassadors listened to the main points without comment.

The British Ambassador commented as follows on our proposal for a bilateral conversation on the air convention: without wishing to forestall his Government's decision he must point out that this proposal raised certain difficulties for the British Government, since it might create the impression that they intended to conclude special separate agreements with us. He would consider it more advisable to begin discussions immediately with all the Locarno Powers. In reply to this, I once again drew attention to the fact that the British and French Governments had, after all, conferred without the other Locarno Powers and that, if only for the sake of parity, we could expect the British to treat us in the same way. Moreover, we only wished, by means of preliminary talks of this nature, to prepare for the conclusion of a convention.

The British Ambassador also enquired why we had not discussed the question of our return to the League of Nations, to which I replied that our views on this question had been stated so often that we had not considered it necessary to discuss them now. In any case our views were unchanged, that is to say, we could not discuss the question of our return to the League of Nations until all the reasons which had compelled us to leave the League of Nations had been removed.

The French Ambassador immediately raised objections to our proposal for bilateral conversations with the British Government. He said that this proposal would further increase the suspicion, already prevalent in Paris, that we were trying to drive a wedge between Britain and France. He foresaw that there would be great agitation in the press; and, moreover, it would put Flandin and Laval in a difficult position. They were already being accused of having allowed themselves to be deceived at the negotiations in London.

I explained to the Ambassador our reasons for making the proposal, but was unable to convince him.

The French Ambassador, too, enquired about our views on the question of the League of Nations; I explained them to him in the same way as I had done to the British Ambassador.

Tomorrow our reply will also be communicated to the Italian Ambassador and the Belgian Minister,⁶ and will be published in the press on Saturday morning.

FRHR. V. NEURATH

⁶ The two memoranda by Neurath, RM 136 and RM 137 of Feb. 15 (3242/712056 and 712057), recording the communication of the German reply to the Italian Ambassador and the Belgian Minister, are not printed.

No. 491

6680/H096085-87

Memorandum by a Deputy Director of Department IV

BERLIN, February 14, 1935.

IV Chi. 309.

Ministerialdirektor Meyer today asked the Head of the Army Ordnance Office [*sic*], Colonel Thomas,¹ what interest the Army had in Klein's project.²

Colonel Thomas said that, in view of the urgent necessity of supplementing the Army's raw material requirements, the Reichswehr Minister and the President of the Reichsbank, Dr. Schacht, had in principle approved Klein's project, especially as we did not need to make any foreign currency available. The risks seemed small since we should be making machinery available *pari passu* with the delivery of ores. Klein had so far justified the confidence placed in him. Likewise Marshal Ch'en Chi-t'ang had always paid cash. [In considering the projects one must also take into account that it was extremely desirable to provide opportunities for export for our armaments industry against a slackening in the home demand from about 1937 onwards.]³

Ministerialdirektor Meyer pointed out that the Foreign Ministry fully supported the Reichswehr Ministry in the matter of meeting raw material requirements and was quite prepared to take even a comparatively big risk, only there would have to be guarantees that the raw materials which the Army Ordnance Office was counting on in view of Klein's promises would actually be available and accessible. It was apparent from the telegrams from the Consulate General at Canton⁴ that the particulars supplied by Klein on this point were greatly exaggerated, e.g., as regards wolfram ore. Likewise various things in his report on his journey,⁵ particularly as regards the financial position of Canton, did not correspond with the facts. The Americans had dropped their plan to work the mines, as they declined to provide an unsecured credit dependent only on Ch'en Chi-t'ang. The delivery of the arsenal to Canton should be treated as entirely separate from the present transaction. In this instance it was solely in the interests of Marshal Ch'en Chi-t'ang. Besides, this project had been quite a small

¹ Col. Georg Thomas, who had been in the Army Ordnance Office since 1927, became Head of the War Economy and Ordnance Branch in the Wehrmachtamt in October 1934.

² See document No. 488.

³ The passage in square brackets has been added in Erdmannsdorff's handwriting.

⁴ See document No. 488, footnote 4.

⁵ See document No. 472, footnote 1.

one so that the payments had not run into any insuperable difficulties despite Canton's precarious financial position.

Ministerialdirektor Meyer pointed out that many people both in China and here had gained the impression that Klein was acting as an agent in disguise of the Reich Government, and in particular of the Reichswehr Ministry; nor would this long remain concealed from the Japanese. In spite of the present *détente* it would be important to ascertain whether Chiang Kai-shek approved Klein's Canton project or alternatively would quietly tolerate it.

Colonel Thomas agreed that the question as to whether Klein could really keep his promise would have to be cleared up first. For this reason he had, through the good offices of Lieutenant Colonel Brinkmann, requested General von Falkenhausen in Nanking about a month ago to check the particulars supplied by Klein. He would let us have as soon as possible a list⁶ of the raw materials which the Reichswehr Ministry particularly wished to obtain from China.

Ministerialdirektor Meyer once again emphasized how ready the Foreign Ministry were to assist the Reichswehr Ministry in the matter of their raw material requirements and proposed, after further points had been clarified, that an interdepartmental conference should be held, to which the Reichswehr Ministry, the Reichsbank, and possibly also Herr Klein, would be invited.⁷

Submitted herewith for information

first to Ministerialdirektor Meyer

then to IV OWR

IV Chi.

IV Ja.

II F will receive a further copy.

ERDMANNSDORFF

⁶ Not found.

⁷ See document No. 508 and footnote 2 thereto.

No. 492

M52/M001254-57

*The Head of the German Trade Delegation for South America to the
State Secretary in the Reich Chancellery*

BERLIN, February 14, 1935.

Rk. 1635.

MEMORANDUM ON THE WORK OF THE GERMAN TRADE DELEGATION FOR SOUTH AMERICA

The German Trade Delegation for South America, which left from Hamburg on July 3 of last year and returned on January 31 of this year, consisted of the following members:

Foreign Ministry: Minister Kiep

Counsellor Kroll

Reich Ministry of Economics: Geheimrat Imhoff

Reich Ministry of Food and Agriculture: Oberregierungsrat Nelson

Directorate of the Reichsbank: Reichsbank Director Hechler

Interpreter and Secretary: Frowein

The Delegation had the following tasks:¹

(1) To give, in view of the great efforts made by other countries, especially the United States, Great Britain (the d'Abernon Mission),² Italy and Spain, to capture the markets of the South American continent, visible and effective expression to the Reich Government's interest in fostering economic relations with the South American countries. This also applied particularly to the numerous and influential German trading circles and the large German communities in the various States of South America.

(2) To reactivate trade with Germany, which, owing to the German foreign exchange restrictions of June last, has in various places come to a complete standstill, by appropriate agreements and arrangements on the lines of the clearing and barter system.

(3) To bring about the unfreezing of the substantial German balances accruing from deliveries of goods which, as a result of the difficulties of various South American States regarding foreign exchange payments, have been frozen there during the last five years and to cause them either to be surrendered to the Reichsbank in the form of foreign exchange or made available to the German economy in the shape of additional raw material deliveries. In the course of their tour the Delegation visited all the South American countries with the exception of Bolivia and Paraguay and concluded commercial treaties or Central Bank agreements on foreign exchange transactions with the following States: Argentina, Brazil, Chile and Uruguay.³

¹ See also document No. 30 and footnote 2 thereto.

² The reference is to the British Economic Mission to Argentina and Brazil, led by Viscount d'Abernon, in 1929.

³ The following treaties and agreements were signed:

(i) with Argentina: German-Argentinian Trade and Payments Agreement of Sept. 28, 1934 (see *Reichsgesetzblatt*, 1934, Pt. II, pp. 835-839); exchanges of confidential Notes of Sept. 28 (6583/E491834-60 and K905/K224712); Agreement between the Reichsbank and the Oficina de Control de Cambios (K905/K224704-11).

(ii) with Brazil: an exchange of Notes on the possibility of extending trade with Brazil (K906/K224932-37) and an exchange of letters between the Reichsbank and the Banco do Brasil (K906/K224941-49) were initialled on Nov. 8, 1934; the agreements thus concluded were put into operation provisionally, but were apparently not signed. In a memorandum of Mar. 19, 1935 (6483/E485869-72) Kiep recorded that the visits of a Brazilian delegation led by the Finance Minister, Senhor de Souza Costa, to Washington and London had probably increased Brazilian doubts as to the wisdom of a contractual agreement with Germany and that it was likely that they would prefer a non-contractual *de facto* arrangement as hitherto. Further documents on the negotiations with Brazil have been filmed on Serials K906 and K913.

(iii) with Chile: Commercial Treaty between Germany and Chile of Dec. 26, 1934,

The importance of these treaties is shown by the fact that under them it will be possible to obtain, for example, from Argentina supplies of vital raw materials such as linseed, wool, hides and skins and certain agricultural produce, which Germany requires owing to last year's drought, to a total value not exceeding 200 million RM; from Brazil unlimited supplies of coffee, cotton, rubber etc.; from Uruguay wool and hides and skins to a value not exceeding 23 million RM; in all cases without incurring the expenditure of foreign currency and against a corresponding rise in German exports.

The treaty with Chile will make it possible to effect through the clearing system all purchases of saltpetre which have hitherto involved considerable expenditure of foreign exchange, and as a result of the Delegation's negotiations arrangements are being made to obtain in future against clearing marks supplies of copper too which at present can be bought only against foreign exchange in the world market, thereby saving an equivalent amount of foreign exchange. Moreover, in German commercial relations with the rest of the South American countries trade has been organized without payment in foreign exchange in the form of an autonomous settlement of the special account for foreigners; this means that in contrast to the foreign exchange used hitherto, amounting to 300 to 400 million Reichsmark per year, no demand for foreign exchange need in future be made to the Reichsbank on the contrary, it is hoped that trade with the South American continent will yield a foreign exchange surplus. The unfreezing of frozen debts amounting to about 100 million RM could be carried out or commenced in all places.

(4) Finally, the Delegation visited all the trade centres and a large number of areas where Germans have settled and everywhere it gave explanations and information in conversations with the local chambers of commerce about Germany's present economic policy, the requirements of German industry with regard to methods of delivery and raw material supplies, and at the same time its own possibilities for supplying the South American market; and, in particular, it was able, on lecture and discussion evenings, to give the German settlers descriptions of the new Germany which proved to be of the greatest propaganda value and were received with deep gratitude by those attending.

In the course of their tour the Delegation travelled approximately 16,000 km. by sea and 10,000 km. by air, including four flights over

with a Protocol of the same date (see *Reichsgesetzblatt*, 1935, Pt. II, pp. 26-30); Payments Agreement between Germany and Chile of Dec. 26, 1934 (see *ibid.*, pp. 30-34).

(iv) with Uruguay: Payments Agreement and secret supplementary agreement of Nov. 13, 1934, between the Banco Alemán Transatlántico and the Banco de la República Oriental del Uruguay (K911/K225909-19); confidential exchange of Notes of Nov. 13 (M69/M001967-72).

Further documents on economic negotiations with South American countries have been filmed on Serials 6483, 8729, 8731 and K905-K915.

the Cordilleras at a height of approximately 7,000 m., and made a number of journeys into the interior which enabled its members and thus the Departments represented by the Delegation to obtain a thorough knowledge of the geographical and geopolitical structure of the territory visited.

With one insignificant exception⁴ the Delegation was given a cordial and friendly welcome, in all the places it visited, by the respective Governments, by leading political and economic circles and by the public, and it gained the impression everywhere that its visit was regarded by the countries concerned as a token and expression of the friendly attitude of Germany's policy towards them. The same view was conveyed, in exhaustive conversations, to the leader of the Delegation by the Heads of State of the countries visited, who were extremely appreciative of the opportunity thus provided for obtaining authentic information about the politics and the economic policy of the present-day rulers of the Reich. But particularly the German communities [*Auslandsdeutschtum*] in all the places visited also expressed their great satisfaction about the first visit of this kind of mission in the history of German-South American relations and asked the Delegation again and again to convey their thanks for this as well as their regards and good wishes to the Führer of the new Germany.

Hereby, as requested, respectfully submitted to State Secretary Dr. Lammers in accordance with our conversation.⁵

KIEP

⁴ From a memorandum by Kiep of June 12 (6483/E485856-68) it emerges that the exception here referred to was a press campaign in Buenos Aires at the beginning of negotiations there.

⁵ In a minute of Feb. 21 (M52/M001258) Lammers recorded that the Führer had been informed.

No. 493

6680/H096089-90

The Legation in China to the Foreign Ministry

URGENT

No. 4 of February 15

NANKING, February 15, 1935—4:45 p.m.

Received February 15—2:25 p.m.

IV Chi. 324.

With reference to your telegram No. 3 of February 12.¹

The following is a strictly secret statement by Herr von Seeckt:

"Last June Chiang Kai-shek told me that he agreed in principle to Klein's Nanking project, in August he authorized the Minister of

¹ Not printed (6680/H096083-84); in this telegram Neurath had asked for Seeckt's assessment of Chiang Kai-shek's attitude to Klein's Nanking and Canton projects (see document No. 180, footnotes 4 and 6) and particularly to the latest Canton projects (see document No. 301, footnote 1).

Finance to conclude a preliminary contract, and on January 31 he again expressed his approval and the wish for the contract to be carried out as soon as possible. On February 7 he sent me a list, which I had requested and which had been written out and signed by him, of raw materials to be delivered by China at once or within the next year. He said he was expecting Klein here in March to conclude the final contract and settle all its details. He is agreeable to the establishment here of a permanent representation for its administration. The question of the Canton arsenal, which has already been delivered, plays no part in this.

"Express approval for Klein's Canton project has not been given by the Marshal and is also not to be expected. I have, therefore, not made such a request. Unless he is compelled to define his attitude, the Marshal will make no difficulties apart from, perhaps, occasional formal protests. The Minister in Berlin and the director of the trade agency are not regarded here as reliable supporters of the Marshal. The latter, according to opinion here, represents the special interests of Chinese groups. I advise postponing the carrying out of further Canton plans of Klein's until after the conclusion of the negotiations here, or else making a start with non-military works such as shipyards, mining equipment, railway and dock construction. No opposition to these and to the granting of credit is to be expected here. I recommend the credit, after it has been ascertained, in the same way as here what Canton can deliver immediately or within one year and that preparations for delivery have begun.

"At our last meeting before his departure for Szechuan the Marshal asked me to transmit to the German Government his request for the Legation to be raised to an Embassy.² He attached importance to Germany giving the lead to other countries in this, as a sign of the particularly good relations between the two countries. In this connexion he mentioned the desire that the Legation or Embassy should be transferred to Nanking. He took the opportunity to express the wish that the Government might establish one office in Germany through which all German business with China would pass, thus excluding all private German firms from direct negotiations with the Chinese. I regard this last request as being worthy of very serious consideration. von Seeckt."³

LAUTENSCHLAGER

² See also document No. 239.

³ A copy of the telegram here printed was sent by Meyer to Gen. von Reichenau at the Reichswehr Ministry under cover of a note of Feb. 20 (6680/H096093).

No. 494

9375/E664137-89

Memorandum by an Official of Department IV

BERLIN, February 15, 1935.

e.o. W IV Ru. 628.

On February 14 President Schacht¹ asked the Deputy Head of the Soviet Trade Delegation in Berlin, M. Friedrichson, to call on him and informed him as follows:

It was no longer acceptable that the Soviet Union should have a special position with regard to the importation of its goods into Germany. Under the "New Plan",² Soviet imports, too, must be controlled by the supervisory authorities. No difficulties would, however, arise in this connexion, and he was quite prepared to promote imports from the Soviet Union with all his power. A condition for this, however, would be that the Soviet Union should place orders to the same value and should use the proceeds from their sales in Germany for the financing of these orders. The 200 million transaction,³ for which he was prepared to grant a five-year credit, could not be taken into account here. Nor could he concede that the proceeds from Russian imports be used for paying off old debts. If necessary, the Soviet Union would have to use its gold for this.

M. Friedrichson replied that the President's statement meant a severe blow for the Soviet Union. He could not imagine that imports into Germany could be kept at the same level under the supervisory system. He could not give a reply, but would get in touch with Moscow without delay. The Soviet Union had to pay Germany 300 million RM in 1935. This debt could not be paid off in gold only.

President Schacht replied that he had full confidence in the Soviet Union's solvency and desire to pay. Should difficulties arise in connexion with imports, he would leave it to the Soviet Government to ask for negotiations to be begun. If necessary, he was also prepared to negotiate with the Soviet Government regarding a deferred payment of, for example, fifty million RM, if the Soviet Union should run into insuperable difficulties in discharging her debts.

These statements by President Schacht are in contradiction to the negotiations which Ministerialdirektor Heintze of the Ministry of Economics has been conducting with the Soviet Trade Delegation for the last nine months.⁴ At these negotiations current trading to the

¹ President of the Reichsbank and Acting Minister of Economics.

² See documents Nos. 175 and 207.

³ See document No. 359, footnote 8.

⁴ See document No. 181 and footnotes.

amount of only 50 million RM was demanded of the Russians. This means a completely new basis for negotiation.

Ministerialrat Mossdorf (of the Ministry of Economics) has promised to send a minute⁵ on the conversation between President Schacht and M. Friedrichson.

Submitted herewith to Ministerialdirektor Meyer.

BRÄUTIGAM

⁵ Not printed (9375/E664141-42).

No. 495

7893/E572164-68

The Ambassador in France to the Foreign Ministry

URGENT
A 815

PARIS, February 15, 1935.
Received February 16.
II M.347.

With reference to your despatch II M.274 of February 8, 1935.¹

I have the honour to submit herewith a memorandum on the preliminary results of the frequent and exhaustive conversations between Herr Forster and M. Massigli concerning the question of the demilitarization of the Saar.

M. Massigli certainly took the view during the conversations that the French Government also desired as speedy and smooth a settlement of the matter as possible and did not intend to take this opportunity of raising questions which would in effect prejudice the issue of the demilitarization of the whole Rhineland zone or the international negotiations on armaments. Nevertheless, he pointed out emphatically that the French Government would also have to avoid giving their consent to a settlement of the question under discussion, by which they would be prejudicing their own future position in respect of general questions. The conversations were also complicated by the fact that M. Massigli repeatedly referred to having, for his part, also to give consideration to the French home departments concerned and to conform to their views.

The difference between the original demands put forward by the French, as recorded in telegram No. 119 of February 6,² and the results of the subsequent conversations can quite easily be seen from the enclosure.

I should be grateful for your early instructions, especially also with

¹ Not printed (7893/E572144-50); in this despatch Köpke replied in detail to points raised by Massigli and reported by Forster in telegram No. 119 of Feb. 6 (7893/E572141-43).

² See footnote 1 above.

regard to the assertion about the State Secretary's two alleged promises, which is in contradiction to Enclosure 1 to II M.202,³ as M. Massigli will have to go away for a few days on February 21.⁴ In this connexion I should like to point out that, if the negotiations are protracted, there is, judging by past experience, a danger that the French Government will again take up demands which they have already dropped or will put forward fresh demands.

KÖSTER

³ Document No. 462.

⁴ Marginal note: "The matter is already being looked into. K[öpke], Feb. 16."

Enclosure

PRELIMINARY RESULTS OF THE FORSTER-MASSIGLI CONVERSATIONS ON THE DEMILITARIZATION OF THE SAAR TERRITORY

An exchange of Notes is contemplated between the German Embassy in Paris and the French Government. The German Note is to contain several statements. The French Note is to take cognizance of these and add a brief comment.

The texts which are to be submitted to the two Governments have not yet been finally agreed, as a few points still require technical elucidation.

The result achieved so far in the frequent and exhaustive conversations may be summarized as follows:

(1) *General Declaration*

The French suggest a version somewhat as follows: The Saar Territory belongs to the zone which is defined in Articles 42 and 43 of the Treaty of Versailles. It follows from this that all the provisions in force for the carrying out of these Articles shall be applicable to the Saar Territory after its reintegration.

(2) *Police*

M. Massigli could not yet say anything about the numbers, as he had not yet received the exact data on the strengths hitherto maintained in the Saar. Nevertheless, he already pointed out at this stage that, in the French view, not 400 but 200 policemen quartered in barracks would be equivalent to the ratio between the total strength of the police and its section quartered in barracks on which the previous discussions were based. For this reason, French opposition to the figure of 400 is to be expected.

Moreover, the French are insisting on a supplementary German declaration that the police shall be issued with the normal weapons permitted under former agreements.

Finally, M. Massigli said the State Secretary had allegedly promised

the French Ambassador during their conversation on January 18⁵ that the temporary police reinforcements in the Saar after reintegration would be made up of men drawn from that part of the demilitarized zone which is on the left bank of the Rhine. The French Government had already taken note of this promise officially. They must therefore demand that the draft of the German declaration (Enclosure 3 to despatch II M.202)³ be supplemented by a statement by the German Government that they consider an increase in the normal personnel during the period after reintegration inevitable and that for such reinforcements they will endeavour not to call on police from outside the demilitarized zone. The words "especially during the period after reintegration" would then have to be deleted in the formula regarding police reinforcements should exceptional circumstances arise.

(3) *The SS, SA and Labour Service*

The German formula (paragraph 3 of Enclosure 3 to II M.202)³ is not acceptable to the French. The French Government demand, rather, that the German Government should declare that they will not send into, or support in, the Saar, any SS formations equipped with weapons of a military nature. Nor would any formations or organizations of a military character be maintained in the Saar. All mention of the SA would be dropped.

Although it was denied that, in face of such a German declaration, the French Government might yet make some kind of reservation in their reply in order to prevent their general views on the SS and SA from being prejudiced in advance, this possibility has not yet been obviated altogether.

With regard to labour camps, M. Massigli referred to a promise, which the State Secretary had allegedly made to the French Chargé d'Affaires during the conversation on January 25,⁶ that there would be no question of setting up any in the Saar, as the country was not suitable. The French Government would have to hold Germany to this promise.

(4) *Railways and Roads*

The French no longer demand a German declaration. On the other hand, the French Government insist on including a unilateral declaration in their Note of reply in which they draw attention to the ban on

⁵ This presumably refers to the conversation of Jan. 16 recorded in document No. 441. The only record found of a conversation between Bülow and the French Ambassador on Jan. 18 (3058/609953) deals with the latter's complaint that miners were crossing from the Saar into France.

⁶ See document No. 462, footnote 2; the relevant paragraph of Bülow's memorandum reads: "I said that, regarding the SA, SS, and Labour Service, there could only be question of our declaring that we intended no excessive concentration [*Anhäufung*] of these organizations. There was no question at all of our limiting their extension in the Saar Territory in any way, for we had to reject any thought of setting up a special régime for the Saar for the future."

mobilization preparations in Article 43 of the Treaty of Versailles and emphasize their interest that railway and road construction in the Saar should not go beyond economic requirements. Moreover, they intend to make a reservation to the effect that in the case of difficulties arising in this matter they shall state their case through diplomatic channels or by the methods provided for in the treaties.

(5) *Airfields*

The French demand an addition to the German declaration (paragraph 4 of Enclosure 3 to II M.202) to the effect that there is no intention of enlarging the airfield at Saarbrücken, nor any question of its character being changed, especially by the construction of underground installations.

No. 496

2945/575972-74

Memorandum by the Director of Department IV

[BERLIN,] February 19, [1935].

In the last few weeks the situation in Upper Silesia has become much more serious. The Council of the League of Nations having, for political reasons, given a decision¹ in the Pless affair which runs counter to the original recommendation and which completely legalizes, for the future as well, the coercive measures taken by the Polish Government, the Voivod² of Upper Silesia is continuing the Polonizing process with increased momentum. The official administrators are ruthlessly Polonizing the undertaking and are throwing German employees and workmen out on to the streets in masses. In the meantime the Voivod is now giving his attention to Prince Henckel von Donnersmarck's business which, next to Pless's, is the largest concern still under German management. Here, too, the dismissal of the German workmen and employees was demanded on pain of intolerable taxation and other coercive measures. At the same time the official administration of the I.G. Kattowitz, Königshütte-Laura is being rigorously carried out³ and the chances of an amicable settlement with the creditors and the shareholders is being ruined by the Voivod. The same political line as was taken with the large industrial concerns is also being followed in the case of small German craftsmen and tradesmen of all kinds, who are above all being ruined by exorbitant taxation. Workers who openly acknowledge their German origin by belonging to

¹ For this decision, which was taken by the Council of the League of Nations on Jan. 18, 1935, see League of Nations: *Official Journal*, February 1935, pp. 145-149.

² Dr. M. Grażyński.

³ See document No. 401 and footnote 1 thereto.

German associations and sending their children to German schools lose their employment. All this is happening in Upper Silesia in spite of the fact that the provisions of the Geneva Convention are intended to guarantee the cultural and economic interests of the minority.

In these circumstances it is imperative to decide whether, within the general framework of Germany's policy *vis-à-vis* Poland, the German Government will be able to combat this development.

The minority policy in Upper Silesia has so far been pursued at the cost of great financial sacrifice. Schools, trade unions, miners' associations, and the cultural unification of the minority in the *Deutscher Volksbund*,⁴ have all been financed almost exclusively by Germany. In the I.G. Kattowitz alone upwards of 162 million Reichsmark have been invested in the form of Reich credits and German share capital. The offices in the Reich who are responsible for financial measures, as well as those responsible for the care of German interests in Upper Silesia, request instructions as to their future action. The financial support given so far, and the demand that the minority should continue to uphold its German way of life despite extremely heavy economic pressure, can only be maintained if there is a possibility of combating the process of de-Germanization. The decision on this would probably have to be referred to the Führer.

If this decision should prove favourable, it is especially urgent that the cases of Pless and of I.G. Kattowitz should be settled. Intervention with the Polish Government might be considered whereby it might be suggested, with reference to the German-Polish Agreement of last year,⁵ that to start with, in the cases of Pless and the I.G. Kattowitz, bodies of experts from both the German and the Polish sides should meet to examine the possibility of a completely non-political and objective settlement, and to work out appropriate proposals.

If it should appear inadvisable to intervene with the Polish Government in view of the general political situation, all the Upper Silesian enterprises would have to be systematically liquidated.⁶

MEYER

⁴ i.e., the *Volksbund für das Deutschtum im Ausland* (VDA).

⁵ i.e., the Declaration on Non-aggression of Jan. 26, 1934; for the text see vol. II of this Series.

⁶ According to the unsigned and undated minutes of a meeting on Feb. 28 between Neurath, Schwerin von Krosigk, Schacht and General Reichenau (6213/E470018-20), it was decided that, in principle, no further Reich funds should be made available for the support of German-owned industrial and economic enterprises in Polish Upper Silesia.

No. 497

7893/E572174-78

The Acting State Secretary to the Embassy in France

URGENT

BERLIN, February 20, 1935.

[zu] II M.347.¹

With reference to your report A 815 of February 15.¹

The Forster-Massigli conversations should be continued on the following basis:

There are no objections to defining in an exchange of Notes the agreement achieved. Naturally, the texts of both Notes would first have to be approved here.

In detail:

(1) *General Declaration*

We agree to the amendment of the second sentence in paragraph 1 of the declaration sent with despatch II M.196 [sic].² The text would best read something like this: "Therefore [*Mithin*], the provisions in force for this zone shall be applicable to the Saar Territory after its reintegration."

(2) *Police*

The limitation of the police quartered in barracks to 200 men is acceptable. Nevertheless, I leave it to you to bargain about this concession.

A supplementary declaration regarding arms is acceptable, to read something like this: "The general provisions for the arming of the German police shall be applicable to the arming of the police in the Saar." I should like to point out that no special provisions for the arming of the police in the demilitarized zone have been laid down. When drafting this as well as other points you should take particular care that they do not imply a fresh acknowledgment of the relevant provisions in Part V of the Treaty of Versailles or of the pertinent supplementary agreements.

As far as temporary police reinforcements for the period after reintegration are concerned, it was certainly stated during the conversation held here that the necessary reinforcements could probably be drawn from the area on the left bank of the Rhine. This statement was not meant to convey, however, that we wish to assume an obligation of this kind, which would amount to placing the Saar in a special

¹ Document No. 495.

² This and the subsequent references below are clearly intended to indicate Enclosure 3 (zu II M. 196) to despatch II M. 202 (document No. 462). For II M. 196 itself see document No. 462, footnote 8.

position. We cannot enter into wider commitments in respect of the Saar than we have done for the rest of the demilitarized zone; the last sentence in paragraph 2 of the declaration, zu II M.196, will have to satisfy the French. That we shall endeavour, if possible, not to resort to using police from outside the demilitarized zone for reinforcements in exceptional circumstances, as for example during the period after reintegration, is obvious, if only for reasons of efficient administration, especially with regard to transport costs. Massigli may quite safely be informed of this during the negotiations. A declaration in the exchange of Notes regarding this would be out of place, however, if only because it cannot be foreseen whether, after all, events might not make it necessary to call in temporarily police contingents from areas outside the demilitarized zone. In this connexion attention should be drawn to the comprehensive commitments we have entered into under pressure from the French for the protection of supporters of the *status quo*.

(3) *The SS, SA and Labour Service*

With regard to a statement on the Labour Service made by the State Secretary, who is at present on leave, during a conversation on January 25, we have been in touch with Counsellor of Embassy Arnal. He declared that the State Secretary had said that the setting up of labour camps depended on local conditions (the need for [land] improvement, etc.) and that possibly no labour camps at all would be set up in the highly industrialized Saar. The statement had only been meant to give reassurances regarding our intentions, and not as a promise, and he had taken it as a private remark by the State Secretary. He had, therefore, in reply to an enquiry, already informed the Quai d'Orsay to this effect. It is assumed here that in view of Arnal's telegram Massigli will not maintain his attitude on this question. It is in fact intended, as I should like to state for your information, to set up labour camps in the Saar.

As regards the declaration, desired by Massigli, that we would not maintain any formations or organizations of a military character in the Saar, no formula can be found which would meet the views of both sides. An express French reservation in the Note of reply, and for that matter even Massigli's oral statements regarding the allegedly military character of the formations, would be bound to bring up open dispute, which we do not desire. Massigli must be made to realize that it is simply not possible on this occasion to bring up or even take note of the old controversy in some form or other. In any case, the French will not be giving up any part of their position if no mention at all is made of this point in the exchange of Notes.

We are of course still prepared to make the declaration contained in paragraph 3 of Enclosure 3, zu II M.196, if it is of importance to the French.

The statement we made to Massigli, namely that we did not intend to station in the Saar Territory a section of those SS who are detailed for personal bodyguard and guard of honour duties and are equipped with small arms, was only meant to give reassurances regarding our plans. The basic objection to the insertion of such a declaration in the exchange of Notes is that we should thereby be assuming a special obligation, which, moreover, does not exist for the demilitarized zone. Besides, the section of the SS in question is not given the character of a military organization by being equipped with small arms, as you should make quite clear to Massigli.

(4) *Railways and Roads*

There is no objection in principle here to a unilateral French declaration of the kind described by Massigli, but a definite statement of our views will not be possible until we know the terms of the French declaration.

(5) *Airports*

Massigli's wishes regarding the airport at Saarbrücken also amount to special provisions which do not apply to the rest of the demilitarized zone. We could in the exchange of Notes only go as far as to repeat the stipulation in the Paris Agreement of May 1926³ that "the dimensions of the airports and the nature and dimensions of their fixed and other equipment shall not exceed the genuine requirements of normal commercial aviation as based on the regular traffic of the lines in operation." Similarly to reassure him regarding our intentions—and not for insertion in the exchange of Notes—Massigli may be told that we are not contemplating any substantial extensions, nor the construction of any kind of underground installations.⁴

With regard to the airfield at Saarlouis you should point out that precisely by reason of its close proximity to the French frontier no one could possibly have any thought of reserving it for military use. In reply to the objection that this alternative landing ground has not been needed for a period of fifteen years, it should be argued that, with the full resumption of economic relations between the Saar and the rest of the Reich, air traffic in the Saar will greatly increase.⁵

For the State Secretary:
KÖPKE

³ See document No. 462, footnote 12.

⁴ In telegram No. 86 to Paris of Feb. 20 (7893/E572179) Frohwein stated that it was the wish of the Air Ministry that no formula should be accepted which might later provide grounds for objecting to a possible transfer of the Saarbrücken airport to a more favourable site. See also footnote 5 below.

⁵ In telegram No. 89 to Paris of Feb. 21 (7893/E572184) Frohwein sent additional information from the Air Ministry to the effect that the landing ground at Saarlouis had been used intermittently between 1919 and 1934 and that at Saarbrücken only the normal fuel tanks would be placed below ground.

No. 498

2945/575971

Memorandum by the Foreign Minister

BERLIN, February 21, 1935.

RM 162.

On the occasion of a visit which the Polish Ambassador paid me today concerning another matter, I mentioned to him the Polonizing policy of the Voivod of Upper Silesia.¹ I explained to him that German-Polish relations would be endangered should this policy be persisted in and asked him to point out to his Government most urgently that further large-scale dismissals, particularly of the kind at present being carried out in the case of the Pless and Henckel-Donnersmarck enterprises, could naturally not fail to have repercussions on the treatment by the German authorities of Polish workmen and employees in Germany. I represented to the Ambassador that the favourable developments in German-Polish relations which had resulted from last year's agreement² would be endangered if the Polonizing policy in eastern Upper Silesia were to be continued.

The Ambassador promised to inform M. Beck at once of my statements and ask him to bring the seriousness of the situation to the Polish Government's attention. He was convinced that M. Beck would make every effort to prevent any troubling of German-Polish relations which might occur through an excess of zeal on the part of local authorities.³

v. N[EURATH]

¹ See document No. 496.

² The reference is to the Declaration of Non-aggression of Jan. 26, 1934; for the text see vol. II of this Series.

³ In memorandum RM 223 of Mar. 12 (2945/575976), Neurath recorded: "The Polish Ambassador told me this morning on the instructions of Minister Beck and requesting that the matter be treated in strict confidence, that as a result of my complaints concerning attempts at Polonization in eastern Upper Silesia and especially the dismissal of numerous German employees and workmen, M. Beck had taken energetic steps with the Polish home authorities. He hoped that as a result these numerous dismissals would cease."

No. 499

7893/E572185-89

The Ambassador in France to the Foreign Ministry

URGENT

PARIS, February 21, 1935.

A 983

II M.400.

With reference to your despatch II M.347 of February 20¹ and to your telegrams Nos. 86 of February 20² and 89 of February 21.³

¹ Document No. 497.

² See document No. 497, footnote 4.

³ See document No. 497, footnote 5.

I have the honour to submit herewith a further memorandum on the conversations which, in accordance with the abovementioned instructions, were continued between Herr Forster and M. Massigli concerning the question of the demilitarization of the Saar.

As before, the German declaration drafted in Enclosure 3 to II M.202⁴ is still the basis of the conversations, although M. Massigli has frequently protested against the fact that, in negotiations on a question which was to be settled by way of mutual conciliation, we had unilaterally drafted a formula for a solution, and had adhered to it without being prepared to grant concessions. This remark referred in the first place to the question of the organizations.

In explanation of the French proposal for a settlement which was recapitulated in paragraph 3 of the enclosure to my report A 815,⁵ I should like to remark that, in the conversations so far, he [Massigli] has left completely open the question as to whether the SS or any part thereof was of a military character or equipped with weapons of a military nature. M. Massigli made this proposal at the time because of Herr Forster's specific declaration that no section of the SS was organized on a military pattern or equipped with military weapons. This naturally applied also to the SA which was left out altogether from the French proposal for a settlement.

At the next conversation which, owing to M. Massigli's temporary absence, will probably not take place until the 26th, the French will make the declaration they had kept in reserve on the question of organizations and labour camps. I should be grateful for your early instructions on our attitude to the results of the last conversation.

KÖSTER

⁴ Document No. 462.

⁵ Document No. 495.

[Enclosure]

RESULTS OF THE FORSTER-MASSIGLI CONVERSATION OF FEBRUARY 21 ON THE DEMILITARIZATION OF THE SAAR TERRITORY

(1) *General Declaration*

Massigli raised no objections to the text proposed in despatch II M.347 of February 20.

(2) *Police*

M. Massigli has now declared himself agreeable to the number of police mentioned in our declaration in paragraph 2 of Enclosure 3 to II M.202, except that in the French view the figure of 400 for police quartered in barracks is too high. However, the French Government will not raise any objections to 300 men.

When Herr Forster proposed the text contained in despatch II M.347 for the arming of the police, M. Massigli certainly agreed to this on principle but demanded of his own accord the inclusion of a reference to the existing agreements, as otherwise the declaration might give the impression that the French Government agreed that the German Government might later modify the present arms of the police in the Reich and especially in the demilitarized zone as they pleased. Herr Forster has not yet raised the objection to this that such a reference might imply a fresh acknowledgment of the provisions of Part V of the Treaty of Versailles or of the supplementary agreements. For one thing, such an objection would be bound to result in an amendment of the German draft declaration in Enclosure 3 to II M.202, in which reference to previous agreements is made in several places. What is more, as may be definitely anticipated in view of M. Massigli's remarks, it would cause the French Government to raise the fundamental question as to whether or not the provisions of Part V are today still legally binding on us. In view of the increased difficulties it might be expected to cause in the negotiations, Herr Forster had misgivings about introducing this question. There is, however, still every opportunity for raising the objection in question, if desired.

After the import of the State Secretary's statement regarding temporary police reinforcements to be brought into the Saar immediately after reintegration had been explained, M. Massigli did not raise any further objections to the relevant part of the draft in Enclosure 3 to II M.202.

(3) *The SS, SA and Labour Service*

Herr Forster's statements in accordance with despatch II M.347, including the explanations about the State Secretary's declaration on the setting up of labour camps, led to a detailed discussion in which Herr Forster, as during previous conversations, especially emphasized that neither the SS (not even the bodyguards and guard of honour formations) nor the SA and Labour Service were of a military character or equipped with arms of a military nature. M. Massigli emphatically disputed this assertion regarding the SS. (It should be pointed out in this connexion that, as is known to the Embassy, the French Government are in possession of reports according to which there is an SS division in Germany armed with military weapons going well beyond small arms.)⁶ M. Massigli then stated that the French Government could by no means declare themselves unreservedly agreeable to the text provided for in Enclosure 3 to II M.202. In accordance with instructions Herr Forster replied that the French Government must realize that it was not possible on this occasion to bring up or even take

⁶ On such reports in the possession of the French Government, see Georges Castellan: *Le Réarmement clandestin du Reich* (Paris, 1954), p. 360.

note of the old controversy regarding the allegedly military character of the formations in some way or other; a French reservation in their Note of reply, and for that matter even French oral statements would be bound to lead to the existence of open dissension being put on record, which the German Government did not consider acceptable in any case; moreover, the French Government would not be giving up any part of their position if no mention at all was made of this point in the exchange of Notes. M. Massigli said in reply to this that he did not understand these arguments. We were saying that we regarded the SS as a non-military formation and therefore claimed the right to establish it in the Saar. In so doing, we were taking up a clear and unequivocal position, which also found expression in the text we had proposed, in the familiar fundamental controversy. He did not understand how, in such circumstances, we could dispute the right of the French Government to indicate for their part their fundamental views in some form or other. If the French Government simply took note of the German statement on the SS, the result would be that it might be brought up against them later that they had recognized the non-military character of the SS, on the principle of *qui tacet consentire videtur*. The bringing up of this fundamental controversy, which neither party desired at present, could not be avoided by the French Government's agreeing to a draft, proposed by us, which conformed throughout to the German views of this controversy.

At the end of this part of the conversation M. Massigli stated that he could not give his views on the whole matter until it had been further studied by the departments concerned.

(4) *Railways and Roads*

Nothing to report.

(5) *Airports*

The questions of the airport at Saarbrücken and the airfield at Saarlouis also led to detailed discussions.

At first Massigli was quite unwilling to agree to the proposal regarding Saarbrücken drawn up in accordance with paragraph 5 of despatch II M.347. He said the French Government must insist on a definite declaration from us that we would not extend the airport, nor construct any underground hangars. A reference to the text of the agreement of May 1926,⁷ as suggested by us, would not suffice in this particular instance, as it might later lead to controversies on interpretation and thus to complications. M. Massigli also contradicted once again Herr Forster's explanations already put forward in the previous conversation regarding the airfield at Saarlouis, at the same time pointing out that the French Government saw no need for equipping it.

⁷ See document No. 462, footnote 12.

Finally, M. Massigli made the following proposal for a settlement. If, with regard to the airport at Saarbrücken, the German Government would adhere to the text as given in paragraph 5 of the enclosure to report A 815, he would try to get our proposal regarding the airfield at Saarlouis accepted by the French internal departments. It was agreed at the same time that the underground installations at Saarbrücken mentioned in telegram No. 89 were permissible; in our declaration the words underground "hangars" would have to be substituted for underground "installations".

In order not to cause any fresh difficulties Herr Forster has abandoned the suggestion, contained in telegram No. 86, of omitting the word "existing" in the declaration regarding the airport at Saarbrücken. Besides, no decisive importance need be attached to this deletion since the declaration also speaks of "maintaining" the airport. In accordance with the third sentence of paragraph 3 of Enclosure 2 to II M.202, the question of a possible subsequent transfer of the airport elsewhere has so far not been touched upon.

No. 500

8826/E614315-16; E614324; E614317-23

Consul General Radowitz to Ministerialdirektor Meyer

CONFIDENTIAL AND PERSONAL

DANZIG, February 21, 1935.

DEAR HERR MEYER: With reference to my letter of February 8,¹ I should like to inform you of what has happened since. In this connexion, please find enclosed:

- (1) A memorandum of February 14 (conversation with Lester and with Greiser),
- (2) A memorandum of February 20 on my conversation with Gauleiter Forster,
- (3) A memorandum of February 21 on Gauleiter Forster's instructions about the elections.²

On February 18, Greiser and Böttcher³ together called on Lester, as they had promised me they would, and in a frank conversation with him, cleared the air.⁴ Lester took this opportunity of once more

¹ Not printed; see document No. 485, footnote 1.

² The Volkstag was dissolved on Feb. 21. For the circumstances under which this was done see the Annual Report of the High Commissioner in League of Nations: *Official Journal*, February 1936, pp. 202-212.

³ Staatsrat Dr. Viktor Böttcher, Director of the Foreign Affairs Department of the Danzig Senate.

⁴ In a memorandum of Feb. 18 (9087/E638733-39) Böttcher recorded that Greiser had had a conversation with the High Commissioner in the presence of himself and Marchese Giustiniani, the High Commissioner's Deputy. Böttcher's memorandum does not make it clear when the conversation took place; presumably it was on Feb. 16 (see footnote 9 below).

mentioning his fears of a possible protest by Geneva about the elections. Greiser told him that he could not believe that Geneva would take that view, but that if they did he would just have to accept it. Such an attitude on the part of Geneva could only result, as regards Danzig, in the announcement of fresh elections, which would cause serious unrest there. He did not believe that the League of Nations would wish to take the responsibility for such a situation, particularly in view of the friendly relations existing between Poland and Danzig, which might indeed be seriously troubled in consequence. Greiser declared that he would fully guarantee the integrity of the elections and a free expression of opinion during the elections.

As I had hoped, the conversation achieved the result of completely clarifying their personal relations. At the conclusion of the discussion, the High Commissioner assured Greiser that he entertained the warmest regard for him.

I may in addition mention here that a few days ago I received a telegram from Aschmann⁵ in which he asked that, in the election campaign, references to the Saar plebiscite should be avoided, and also that direct links between the NSDAP in Danzig and leading Government and Party authorities in the Reich should be made evident as little as possible. I have passed this suggestion on to the Senate as well as to Forster (see my memorandum of February 20 on my conversation with Forster).

It is surprising that Forster, in his instructions concerning the elections (see my memorandum of February 21), should mention the possibility of important leaders from the Reich taking part as speakers in the Danzig election campaign. I consider this dangerous, and possibly only intended to cause a sensation.

I think that this letter, together with my usual reports, will give you a good idea of the atmosphere which I would describe at present as satisfactory.

With our best wishes to you all.

Heil Hitler!

Yours etc.,

RADOWITZ

My very best wishes for your recovery from your tormenting headaches which in these very hectic times must be extremely trying.

[Enclosure 1]

MEMORANDUM

DANZIG, February 14, 1935.

I called on the High Commissioner today to obtain his views about the Senate's resolution to hold fresh elections. Lester received me

⁵ Not printed; this was telegram No. 4 of Feb. 15 (9180/E645751).

with the words: "So the fight against the League of Nations is now on." From his point of view the time chosen for the elections was unfortunate, as it might appear as though the purpose of these elections were to forestall the decision of the League of Nations about the matters pending. He feared that League of Nations circles would be displeased with Danzig. I told the High Commissioner with the frankness customary between us that I thought this view of his absurd. To imagine that Danzig wanted to work against the League of Nations was quite grotesque. I also pointed out that in our last conversation I had told him most emphatically that the President of the Senate desired nothing more ardently than to solve all questions with him in a peaceful and loyal way. I repeated that the President of the Senate had expressly authorized me to tell him this and that consequently I could not understand his agitation. Nor could I follow how a fresh election would in any way be forestalling the League decision. These matters had nothing whatever to do with one another and the Senate were fully entitled, particularly in view of Geneva, to endeavour to strengthen their position still further by loyally consulting the people.

Lester was visibly impressed by my statements and in fact conveyed this to me in so many words. He said that he would be particularly pleased if his view should prove wrong. He had perhaps formed it as a result of recent events of a purely formal character. Since he had first come here he had taken the greatest pains to function as a loyal advisor in Danzig affairs, owing to his great interest in the Free State, but unfortunately his advice had mostly not been desired. His sole concern in giving this advice had been to render relations easier and freer of friction for Danzig where Geneva was concerned, and he would continue to be available for this purpose at any time.

Lester then explained to me that, apart from the personal aspect, he had a further cause for anxiety where the elections were concerned. The formal complaint submitted to Geneva by the Centre Party asserted that certain laws and decrees passed by the Danzig Government were contrary to the Constitution and further asserted that by means of the ordinances in question the recent local government elections had been so influenced that they did not represent the true views of the electors. But now, before the League had taken a decision on this subject, new elections were being set in train, which would be held under the same conditions, that is to say, under the provisions which were *sub judice* in Geneva. He much feared that the Council might declare the provisions in question to be incompatible with the Constitution, which would call in question the validity of the new elections. He need not elaborate on what that would mean for Danzig. He was concerned to spare Danzig the serious disturbances which would ensue should matters take this course; this was indeed the sole reason for the state of agitation in which he undoubtedly was. I told the High

Commissioner that I was not myself able to judge then and there as to whether his anxieties were warranted, but that I would make it my business to have these questions reliably gone into by a good jurist.

He asked me to continue the conversation with him at some future date.

RADOWITZ

DANZIG, February 15, 1935.

On February 15 I called on President of the Senate Greiser, gave him the above memorandum, and discussed the situation with him.

The President of the Senate was quite in agreement with my mediation and, at my suggestion, he promised me that in the next few days he would call on the High Commissioner in order that he too might do everything possible to contribute towards restoring good relations with the High Commissioner.

RADOWITZ

[Enclosure 2]

MEMORANDUM

DANZIG, February 20, 1935.

I called on Gauleiter Forster today and gave him the main points of the negotiations that had taken place with the High Commissioner and with the President of the Senate, as set forth in the memoranda of February 7,⁶ 8,⁷ 14 and 15.⁸ I also added that, according to the most recent conversation between the President of the Senate and the High Commissioner held last Saturday,⁹ relations between the Senate and the High Commissioner might be said to have been straightened out.

Forster told me that he did not intend to pay the slightest attention to the High Commissioner over the whole election campaign. He said that this was entirely the Party's affair, and that in an election campaign a party must deploy its full strength. He would certainly do this to the full and would not be in the least affected by objections from the High Commissioner. Even if the opposition, by means of certain manipulations, were to raise doubts as to the validity of the elections, he would simply hold fresh elections in four weeks' time, and at each fresh election would merely win more votes. Hints to that effect by the High Commissioner made no impression on him whatsoever. He was prepared in all respects to meet the High Commissioner

⁶ Document No. 485, enclosure.

⁷ No memorandum of this date has been found; the reference is presumably to Radowitz's letter to Meyer of Feb. 8; see document No. 485, footnote 1.

⁸ Enclosure 1.

⁹ i.e., Feb. 16. This would appear to be the conversation recorded by Böttcher in his memorandum of Feb. 18 (see footnote 4 above).

in a friendly and courteous manner, but he had otherwise no intention of taking any notice of him. The main thing was and would be not to cloud relations with Poland, and his whole line in the election campaign was aimed only at this objective. He was not going to bother about anything else.

I also informed the Gauleiter that the Foreign Ministry had requested that the Saar question be not brought into the election campaign, and that any collaboration between the NSDAP in the Reich and the NSDAP in the Free State of Danzig should not be stressed. To this the Gauleiter replied that he was taking this for granted and that he had of his own accord borne these matters in mind. Forster appeared to be very sanguine and seems to have no doubt as to the successful outcome of the elections (67 per cent).

RADOWITZ

[Enclosure 3]

MEMORANDUM

DANZIG, February 21, 1935

On February 17, 1935, Gauleiter Forster made the following points to the assembled Kreisleiter and Ortsgruppenleiter of the NSDAP and the leaders of the SS and SA:

1) The composition of the present Volkstag no longer corresponded to the political attitude of the population.

2) In order to put a stop to the constant complaints of the opposition an attempt must be made to obtain a two-thirds majority for the NSDAP in order to be able to put through the requisite amendments to the Constitution.

3) Directives for the election campaign. The election campaign would only be conducted during the last three weeks, but then with the utmost energy and the greatest drive. The campaign would be opened on March 16 with a rally of the whole Party in the stadium. From then on the campaign was to be stepped up day by day to the greatest possible degree and the last reserves of strength were to be used. For the last ten days before the poll the NSDAP had hired all the halls in the Free City territory and all the hoardings.

Forster himself would see to the uniform briefing of the speakers. No speaker would be allowed to speak without previously submitting his manuscript. In no circumstances were there to be any attacks on Poland or on the Church. The campaign must be conducted with complete discipline. Acts of violence, particularly in uniform, would be most severely punished.

All important leaders in the Reich had promised to speak in the Danzig election campaign, amongst others Ministers Göring, Dr. Goebbels, Darré, Frank, Rust, Chief of Staff Lutze, and Brückner, the

Führer's Adjutant. Dr. Goebbels had promised that the Reich German press would circulate reports very widely about the Danzig election campaign.

4) In the middle of March a large-scale programme for the provision of work would be introduced, which would ensure employment to many thousands of the unemployed right away.

5) The Danzig elections on April 7 were of tremendous significance, not only for Danzig, and in all circumstances they must manage to achieve complete victory for the NSDAP in this election campaign.

RADOWITZ

No. 501

7467/H181949-52

The Ambassador in Great Britain to the Foreign Minister

Telegram

MOST URGENT

No. 54 of February 21

LONDON, February 22, 1935—7:30 a.m.

Received February 22—10:15 a.m.

II Abr. 357.

For the Foreign Minister personally.

After a number of invitations, Bismarck today called on Wigram, the Head of the Central Department. The conversation, which had already been arranged before receipt of your telegram No. 31,¹ began with Wigram reading out to him a despatch which was sent to Phipps this afternoon, and which can be summarized as follows:

The British Government welcome the willingness, expressed in the German reply of February 14,² carefully to study the Franco-British communiqué.³ The British Government gladly accept the German proposal for a German-British exchange of views, in continuation of the bilateral conversations which have already been held. Such an exchange must, however, be carefully prepared. Apart from this, it was an essential condition that the German Government should be willing to discuss all the questions mentioned in the communiqué, and not to deal with one of these questions in isolation. The British Government asked to be informed whether the German Government would be prepared for this, after which the time and place of meeting could be discussed.

In explanation, Wigram said that the German reply of February 14 had created serious concern here by giving the impression that Germany was trying to drive a wedge between Britain and France. The

¹ See document No. 503, footnote 3.

² See document No. 490 and footnote 2 thereto.

³ See document No. 479, footnote 1.

proposal for a direct German-British exchange of views, together with the fact that the air agreement had been singled out from the Franco-British communiqué, had caused uneasiness here, since it appeared as though an attempt were being made to induce the British Government to take up the air pact, which naturally was of first importance for Britain, to the exclusion of the other problems. The French, and especially the Russians, had immediately appeared on the scene and had expressed their lively anxiety about such a development. In order completely to remove this impression and to clear the way for the German-British exchange of views which Britain welcomed too, the above instructions had been sent to Phipps. If the German Government were to express themselves as willing to discuss, in the conversations with the British Foreign Secretary, all the problems raised in the communiqué, certainty would prevail that it was not the German Government's intention to drive a wedge between Britain and the other Powers friendly to her. As was apparent from the instructions he had read to Bismarck, it would be possible to negotiate about the date and place after Phipps' arrival, and Wigram indicated that, from what he had so far heard, it was intended to send Sir John Simon to Berlin.

After giving this information, Wigram spoke at length about the Eastern Pact and said—stressing that he was merely expressing his own personal views—that, as far as he knew, Germany's main objection to the Eastern Pact was the *assistance mutuelle*. But there were in fact a number of bilateral agreements between various European States, such as the Berlin Treaty between Germany and Russia,⁴ the German-Polish Agreement,⁵ the Arbitration Agreement between Germany and Czechoslovakia,⁶ as well as the most varied agreements between the other States of Eastern Europe. Certainly, as far as he knew, there was no agreement between Germany and Lithuania, but the Reich Chancellor had none the less stated quite plainly that he was prepared to conclude non-aggression pacts with all his neighbours.⁷ If all these separate treaties, whose number, as stated above, might be multiplied were allowed to remain as independent treaties, but were to be combined under a kind of common denominator, then one might take it that an Eastern Pact could be obtained which would sufficiently satisfy Eastern Europe's security requirements even though assurances of mutual military assistance were not obligatory on all States, but only on those States prepared to give them. Since Germany herself dic-

⁴ The Treaty of Neutrality and Friendship of Apr. 24, 1926. For the text see League of Nations: *Treaty Series*, vol. LIII, pp. 387-396.

⁵ Of Jan. 26, 1934; for the text see vol. II of this Series.

⁶ Initialled at Locarno on Oct. 16, 1925. For the text see League of Nations: *Treaty Series*, vol. LIV, pp. 341-351.

⁷ cf. the interview which Hitler gave to Ward Price on Jan. 17, 1935, extracts from which are printed in Baynes: *Hitler's Speeches*, vol. II, pp. 1198-1201.

not wish, for the time being, to take part in such assistance, this could be taken into account, while the other Powers would remain free to assure one another of assistance. Bismarck replied that such a solution would, even more than the original Eastern Pact plan, be none other than a disguised Franco-Russo-Czech military alliance, just as the whole Eastern Pact must equally be regarded as being directed against Germany under a common Franco-Russian policy. Wigram then indicated that Bismarck would do well to reflect carefully on the implications of the above proposal, as he thought it not impossible that the Eastern Pact would be treated in this sense at the German-British exchange of views. In conclusion he also spoke about the extraordinary improvement in Russia's international position in the months since her entry into the League of Nations, whereupon Bismarck told him that this improvement coincided remarkably closely with Russia's adoption of a hostile attitude towards Germany.

After the conclusion of the conversation Wigram telephoned Bismarck and said that P[hipps] would not be carrying out his instructions until tomorrow. He therefore particularly asked him to keep the matter secret for the moment. Should the present telegram arrive before P[hipps] has carried out his instructions, I would request that P[hipps] should in no way be made aware of our premature knowledge.⁸

HOESCH

⁸ A copy of this document in the files of the Reich Chancellery (7562/E542189-92) bears the marginal note: "Chancellor: I only received this telegram *after* the visit of the British Ambassador [see document No. 503]. v. N[eurath]."

No. 502

7467/H181943-46

The Ambassador in France to the Foreign Ministry

Telegram

URGENT

No. 163 of February 21

PARIS, February 22, 1935—12 noon.

Received February 22—4:30 p.m.

II Abr. 349.

When I discussed our reply¹ to the London communiqué² with Laval today, the Foreign Minister said that he had gathered from my statements on our reply that he had been right in exerting a calming influence on the French press. The press had shown a tendency to reproach us with only wishing to pick the air convention currants out of the cake, and with having no intention of otherwise concerning ourselves further with Eastern Pact problems or the Danubian Agreement.³ He had pointed out to the press that both questions were in

¹ See document No. 490 and footnote 2 thereto.

² See document No. 479 and footnote 1 thereto.

³ See document No. 418.

process of negotiation, so that it was not fair to accuse us of flatly rejecting the proposals. The fact that we had made negotiations with Britain our prime object had not hurt his own personal feelings. His idea as to our reasons for wishing to negotiate alone with the British first had been proved to be right by my statement (in accordance with instructions of February 14).⁴ He had tried to think along our line of thought, which was mainly based on our complaints about the lack of psychological understanding with which his predecessor had treated German-French problems. He hoped that, as long as he exerted an active influence on French foreign policy, Berlin would support him as much as possible in his efforts to achieve a settlement with Germany. Here he wished once more to emphasize that, as Berlin knew, the manner of conducting negotiations was for him not the main thing; all that mattered was reaching the goal. Nonetheless, he regretted our tactics as these had created the impression amongst the French public and also in certain British circles that we wished to separate France from Britain. He hoped that a German-British exchange of views would achieve a practical result which might also be of use in negotiations on other questions such as the Eastern Pact and the Danubian Agreement. As regards the Eastern Pact, he would be grateful if the German Government would let him know officially and at an early date what were their views on the idea of *assistance mutuelle*. It was known from the Chancellor's conversation with François-Poncet that their attitude was a negative one.⁵ The Foreign Minister saw no reason, therefore, for our withholding these views any longer from the French Government in a reply to their Note.⁶ If Germany did not desire *assistance mutuelle* and could not herself subscribe to it, then there was nothing to be done about it. But the Foreign Minister still hoped that Germany, at some later time, would be able to revise this point of view. His main concern now was to find a formula for the Eastern Pact problem which would not give the German Government the impression of a policy directed against Germany and which, on the other hand, would meet the wishes of the other Powers concerned in the Eastern Pact problem.

When I asked the Foreign Minister how he thought the exchange of views on the complex of questions connected with the London communiqué should be continued, he replied that this decision rested with London. He would make use of Simon's presence on February 28⁷ to discuss with him carefully once more the procedure to be adopted

⁴ Despatch e.o. II Abr. 288 of Feb. 14, 1935 (7467/H181874-81) by which Neurath informed the Ambassadors in Great Britain, France and Italy, and the Minister in Belgium, of the substance of document No. 490, and enclosed a copy of the German reply.

⁵ No record of this conversation has been found, but see document No. 479.

⁶ See document No. 440.

⁷ Sir John Simon was due to give a lecture in Paris on Feb. 28. During his stay he had conversations with Laval and Flandin.

over the whole complex of questions contained in the London communiqué. Here the Foreign Minister did not conceal from me the fact that he agreed with London that an air agreement could not be concluded in isolation from the other problems. He also expressly assured me that, contrary to press assertions, a questionnaire had not so far been drawn up. This too he would discuss with Simon on February 28.

I observed today that Laval had adopted a more objective attitude to our rejection of the agreements for *assistance mutuelle*. On the other hand, the Foreign Minister is fully aware of the difficulties of formulating compromise proposals on the Eastern Pact problem.

When the Foreign Minister asked whether I could not make some suggestion which might help him to solve the problem, I drew his attention to our positive suggestions in our Memorandum⁸ on the French proposals. The Foreign Minister, in further discussion, indicated that he would be grateful for further active German collaboration on a compromise solution. I promised to pass his wish on to my Government.

At the end of the conversation the Foreign Minister again emphasized his desire to conduct the negotiations in all frankness; he was prepared to remove all misunderstandings; he hoped that the German Government would not ignore his desire for cooperation on a basis of mutual trust between the two countries.

In my conversation with Laval I naturally put forward our point of view exactly as it is set forth in the Reich Foreign Minister's personal letter of February 14.⁹ I need not, therefore, repeat my statements.

The general impression which I gained from today's conversation is that Laval does not see any possibility of reconciling our diametrically opposite views on the matter of *assistance mutuelle* either, but that, on the other hand, he is honestly endeavouring to overcome this state of affairs, which is holding up all further discussion, in a manner not directed in any way against Germany and not liable to arouse in us the feeling that it is intended to revert to the tactics which we objected to in Barthou and other of his predecessors. The Foreign Minister repeatedly expressed views to the opposite effect. On the other hand, I left the Foreign Minister in no doubt that only a complete change of tactics in negotiations with Germany could induce her to adopt a more friendly attitude to French suggestions in the future. But, I said, in view of our unpleasant experiences so far, this method, too, would be a slow one.¹⁰

KÖSTER¹¹

⁸ See document No. 200.

⁹ The reference is to the document cited in footnote 3 above. The copy in the Paris Embassy files (M11/M000330-36) bears no number and is typed on the Foreign Minister's notepaper.

¹⁰ The text of the telegram here printed and of telegram No. 94 to Paris (see footnote 11 below) was circulated on Feb. 23 by telegram to the Embassies in Great Britain, Italy, Poland, and the Soviet Union (7467/H181956-57).

¹¹ By telegram No. 94 of Feb. 23 (7467/H181954) Köster was sent the text of document

No. 503

2368/494093-94

Memorandum by the Foreign Minister

BERLIN, February 22, 1935

RM 166.

The British Ambassador called on me today and, on instructions from his Government, requested express confirmation of the British Government's belief that in our reply¹ to the Anglo-French communiqué² with the special emphasis there placed on our readiness for negotiations on an air convention, it had not been intended to exclude consideration of the other problems set forth in the communiqué.

I told the Ambassador that it was a matter of course that, in the event of a visit by British statesmen to Berlin, all pending political questions would be discussed.³ I emphasized once more that when communicating our reply I had pointed out that our positive attitude towards the air convention was due, in the first place, to the fact that this convention was a concrete proposal and, further, that the communiqué itself described this matter as urgent.

The Ambassador confirmed this and assured me that he had indeed reported in this sense to his Government.

I then asked the Ambassador whether we might expect some British statesmen to visit us, and if so, when. Sir Eric Phipps replied that he thought he could say that such a visit would take place. When I further asked which British visitors would come, the Ambassador said that, although not expressly instructed to that effect, he presumed that Sir John Simon, as Foreign Secretary, would come. Regarding the date, he had no information as yet. He only knew that Sir John Simon would be going to Paris on February 28 for a lecture;⁴ the decision as

¹ See document No. 490 and footnote 2 thereto.

² See document No. 479 and footnote 1 thereto.

³ See document No. 468. The possibility of a visit by Sir John Simon to Berlin had been widely discussed in the British press. By telegram No. 31 of Feb. 21, 1935 (7467/H181922) Hoesch was instructed not to raise the question, but, if it were brought up, to say that Germany would leave the British Government to determine the method of conversations. A visit by British statesmen to Berlin would be welcomed, but would require very careful preparation.

⁴ See document No. 502, footnote 7.

No. 503 and instructed to maintain the greatest possible reserve, pending the development of the Anglo-German exchanges. In a letter of Feb. 22 (8760/E610954-55) Köster informed Neurath that Laval had also enquired whether in order to force Poland to take up a definite attitude she might not be told that Germany did not regard adoption of the *assistance mutuelle* formula as a breach of the German-Polish Declaration of Jan. 26, 1934 (for which see vol. II of this Series). In a letter of Feb. 28, 1935 (8760/E610956-59) Neurath explained to Köster why this proposal was unacceptable; Köster should keep in touch with Laval, but no decisions could be taken until the results of the Anglo-German exchanges were seen.

to when he would come to Berlin would therefore probably not be made until after that date.⁵

V. N[EURATH]

⁵ Neurath forwarded a copy (7562/542193-94) of the document here printed to Lammers for submission to Hitler under a covering note of Feb. 22 (7562/E542188), which is marked: "The Führer is informed. L[ammers], Feb. 27." It was circulated on Feb. 23 by telegram to the Embassies in Great Britain (7467/H181953), France (see document No. 502, footnote 11), Italy, Poland, the Soviet Union, and the Legation in Belgium (7467/H181955).

No. 504

6680/H096254

Minister Trautmann to Foreign Minister Neurath

*Excerpt*¹

SHANGHAI, February 22, 1935.

IV Chi. 533.

In the matter of Klein you had telegraphed Herr von Seeckt. May I make some comments on Herr von Seeckt's reply?² Much as I respect Herr von S[eeckt] as a soldier, I do mistrust military excursions into the field of trade.

In my report on the Klein project I have already stated that I do not think anything of it.³ The Chinese Government have no free means of payment. They will hardly be in a position to organize barter transactions such as Herr Klein has in mind. In addition, I believe that Herr von Seeckt is wrong about Marshal Chiang Kai-shek's wish to eliminate German private trading. The Marshal only wants this in connexion with the trade in arms. But I believe it is precisely here that we should be careful not to bring in the Government. The trade in arms with China has very often caused diplomatic complications. It should therefore be quietly left to private enterprise.

The Klein-von Seeckt scheme would, if carried out, do great damage to German trade in China. Do we wish to dig the grave of our trade out here, which is practically our only source of strength? That is what I think of the projects of all these people who are now rediscovering the Far East.

¹ The complete text of this letter has not been found in the Foreign Ministry archives. The paragraphs here printed are headed "Excerpt from a letter of 22.II.35 from Minister Trautmann, Shanghai, to the Reich Foreign Minister."

² See document No. 493 and footnote 1 thereto.

³ See document No. 472, footnote 3.

No. 505

9375/E664143-45

Ministerialrat Mossdorf to Counsellor of Legation Bräutigam

BERLIN, February 25, 1935.

W IV Ru. 748.

DEAR HERR BRÄUTIGAM: I enclose herewith for your information a minute on the most recent discussion between members of the USSR Trade Delegation and President of the Reichsbank Dr. Schacht on February 22, 1935.

Heil Hitler!

Yours etc.,

MOSSDORF

[Enclosure]

[BERLIN], February 25, 1935.

MINUTE ON A DISCUSSION BETWEEN PRESIDENT OF THE REICHSBANK DR. SCHACHT AND MM. KANDELAKY¹ AND FRIEDRICHSON OF THE USSR TRADE DELEGATION IN BERLIN ON FEBRUARY 22, 1935

Others taking part in the discussion were:

Ministerialdirektor Dr. Heintze² andMinisterialrat Mossdorf.²

M. Kandelaky said that he had been in touch with his Government in Moscow; a journey to Moscow was no longer necessary.³ His Government's attitude was that payment of the debts falling due in 1935 could not be treated separately from Soviet exports to Germany. The USSR was, however, prepared to pay off 150 million of the 250 million debts falling due in 1935 in imports and 100 million in gold and foreign exchange.

President of the Reichsbank Dr. Schacht replied that he was glad that the Soviet Government were offering a payment in gold of 100

¹ He had replaced M. Weizer as Soviet Trade Delegate in Berlin.

² Of the Reich Ministry of Economics.

³ At a meeting on Feb. 12, recorded by Bräutigam in a memorandum of even date (9375/E667126-28), Kandelaky had been informed: (i) that the list of requirements which he had handed to the Reich Ministry of Economics in January (9375/E664091-101) could not form part of an inter-State treaty, and that the Germans reserved the right to delete certain items of special equipment from the list; (ii) that imports from the Soviet Union would in future be subject to the German import control system, and that the German Government were prepared to furnish import permits for the same goods as supplied by the Soviet Union in 1934 and to the same amounts. The members of the Soviet Delegation had become extremely indignant and Kandelaky was reported to have left for Moscow immediately after the meeting.

The list, which included a number of items of military equipment, had previously been cited as an annex to a draft credit agreement circulated by Mossdorf on Jan. 29 (9375/E664117-23). A revised draft of the credit agreement, of which a copy was sent to Moscow on Feb. 13 (9375/E664130-36), omitted the list and merely described the various categories of items to be ordered without including those in dispute.

million. He could not, however, agree to 150 million worth of imports. He would draw attention to what he had repeatedly said before, namely that Germany's foreign exchange position was serious and that he was unable to forgo receipts of foreign exchange. He was still prepared to grant a respite of payment for 50 million; if the Soviet Government repaid 100 million in gold there would still remain 100 million which he would accept in goods if purchases to the same value were effected in Germany. He was in difficulties, as Germany needed gold. Should the Soviet Government meet with difficulties, he would be prepared to grant a respite.

M. Kandelaky replied that it was impossible to tie up Soviet exports to Germany with orders. Germany was first receiving orders through the five-year term contracts. These orders would be followed by further orders, probably as early as 1935, and certainly in 1936, which meant that in all probability there would be an increase in orders placed in Germany.

President of the Reichsbank Dr. Schacht replied that in the question under reference a statement of future prospects was of no use to him; his concern was to obtain definite figures on the repayment of debts and on purchases. Germany had always granted the Soviet Union terms which no other country in the world had conceded to the USSR. He still wished to do business with Russia, but it was quite out of the question to discuss M. Kandelaky's proposal.

M. Kandelaky pointed out that there was no other way. The consequence would now be that the USSR would sell goods in Germany for foreign exchange. The payment of the bills of exchange would then depend on the state of the market in Germany.

President of the Reichsbank Dr. Schacht said that he was fully confident that the Soviet Union would pay its debts. He also thought that the Government in Moscow understood Germany's foreign exchange position. He repeated that he was prepared to meet the USSR as far as possible with regard to the payment of its debts, by granting a respite for 50 million, extending the term of payment for another 100 million to roughly 18 months if goods to this value were exchanged, and by taking only 100 million in foreign exchange and gold. Similar arrangements could also be made next year, so that the USSR could pay off its debts gradually.

The discussion ended with a statement by M. Kandelaky that the arrangement proposed by Germany could not be considered by the USSR; President of the Reichsbank Dr. Schacht then advised M. Kandelaky to get in touch with his Government in Moscow again.

M[OSSDORF]

No. 506

7893/E572190-92

Memorandum by an Official of Department II

BERLIN, February 26, 1935.

zu II M.400.¹

1. Minute:

As directed I have this morning transmitted the following instructions to Herr Forster regarding the memorandum on the "Results of the Forster-Massigli conversation of February 21 on the Demilitarization of the Saar Territory" (enclosure to the document cited above).

Re Section (2) Police

We are agreeable to the maximum figure of police quartered in barracks being fixed at 300 men.

In order to meet Massigli's wish regarding the arming of the police, the formula could read somewhat as follows:

"The provisions agreed upon for arming the German police shall be applicable to the arming of the police in the Saar Territory."

(I have, at the same time, informed Herr Forster in a veiled manner that he should not broach the question of a fresh acknowledgment of Part V of the Treaty of Versailles.)

With regard to police reinforcements for the Saar, we abide by the version we proposed in Enclosure 3 to II M.202.²

I have left it to Herr Forster to decide whether the 300 gendarmes should be mentioned separately or included in the overall figure for the police.

Re Section (3) The SS, SA and Labour Service

I have explained to Herr Forster that we would have no objection to a French legal reservation regarding the character of the SA, SS and the Labour Service provided the formula we had proposed were accepted, by which we would declare that we did not intend to make any great concentration of the aforementioned organizations in the Saar Territory. Naturally, the prerequisite for this would be that the legal reservation was not couched in such terms as to demand a counter reservation from us. Should this course not be acceptable to M. Massigli, we could only see one possibility and that was not to mention the organizations at all in the two Notes, which would in no way deprive the French of their supposed rights. Herr Forster thought Massigli would probably

¹ Document No. 499.

² Document No. 462.

not agree to this, as he knew that we wanted to maintain the aforementioned organizations in the Saar and as he did not think he could let this happen unconditionally. Herr Forster asked whether it was not possible to make the declaration as drafted by Massigli, according to which we "would not keep any formations or organizations of a military character in the Saar Territory", with a rider that we would set up the SS, the SA and the Labour Service there. I said in reply that I did not think it was possible to find a formula in this way which would suit both sides. Herr Forster said that in that case he would try in the first place to take the alternative course outlined above (a German declaration regarding non-concentration and a French legal reservation).

Re Section (4) Railways and Roads

Here I informed Herr Forster that we were awaiting the text of the French reservation.

Re Section (5) Airports

Regarding this point I promised to send Herr Forster instructions this afternoon, as the views in the Reich Air Ministry had not yet been clarified, which meant that I could not obtain an opinion from that department until this afternoon.³

I have told Herr Forster that we attach importance to the earliest possible settlement of the matter and that we would prefer it if we could have the texts for approval by telegram tomorrow.

2. Submit to: Ministerialdirektor Köpke
Ministerialdirektor Gaus
Copy to Senior Counsellor von Renthe-Fink
3. Copy to competent official for Saar Territory.
4. File under II M.

FROHWEIN

³ Frohwein recorded the views of the Air Ministry in a minute of even date (7893/E572193-94).

No. 507

3593/796912-14

Minutes of the Conference of Ministers held in the Reich Chancellery at 4:15 p.m. on February 26, 1935.

[Extract]¹

Rk. 1811.

Present:

The Führer and Chancellor	Adolf Hitler
The Führer's Deputy, Reich Minister	Hess
The Foreign Minister	Freiherr von Neurath

¹ Only the section dealing with the decree of Feb. 26 has been printed.

The Reich and Prussian Minister of the Interior	Dr. Frick
The Reichswehr Minister	v. Blomberg
The Reich Finance Minister	Count Schwerin von Krosigk
The acting Reich Minister of Economics	Dr. Schacht
The Reich Minister of Labour	Seldte
The Reich and Prussian Minister of Justice	Dr. Gürtner
The Reich Minister of Posts and Communications	Freiherr von Eltz-Rübenach
The Reich Minister of Food and Agriculture	Darré
The Reich Minister for Public Enlightenment and Propaganda	Dr. Goebbels
The Reich Minister for Air and Prussian Minister-President	Göring
The Reich and Prussian Minister of Science, Education and Public Instruction	Rust
Reich Minister without Portfolio	Kerrl
Reich Minister without Portfolio	Dr. Frank
The Prussian Finance Minister	Dr. Popitz
The President of the Reichsbank	Dr. Schacht (see above)
The State Secretary and Head of the Reich Chancellery	Dr. Lammers
The State Secretary and Head of the Presidential Chancellery	Dr. Meissner
The Press Chief	State Secretary Funk
In charge of the minutes: Ministerialrat Wienstein. Furthermore: Ministerialrat Dr. Killy and Ministerialrat Dr. Thomsen.	

Agenda:

1. Decree of the Führer and Chancellor on Reich aviation [*Reichsluftfahrt*].
2. The question of personnel in the Reich and Prussian Ministry of the Interior.

-
1. Decree of the Führer and Chancellor on Reich aviation.²

The Reich Air Minister read out the draft of the Decree of the

² Printed as an enclosure for the convenience of the reader. An unsigned marginal note on the document here printed states that the decree was preserved in the Reich Air Ministry and that no copy was kept [in the Reich Chancellery]. No copy of this decree has been found in the Foreign Ministry files. The copy here printed as the enclosure was sent by the Reich Air Ministry to the Reich Chancellery with a letter of Oct. 5, 1940 (M50/M001230-31).

Führer and Reich Chancellor on Reich aviation and raised the question of whether the matters to be regulated should be settled by means of a law or a decree. He, the Reich Air Minister, preferred a decree, because a decree need in no circumstances be published.

The Reich Cabinet gave its approval to the Decree read out by the Reich Air Minister.

.....

For the minutes:
WIENSTEIN, Feb. 27.

M50/M001232

[Enclosure]

DECREE OF THE FÜHRER AND CHANCELLOR OF FEBRUARY 26, 1935,
CONCERNING THE REICHSLUFTWAFFE

BERLIN, February 26, 1935.

On March 1, 1935, the Reichsluftwaffe will become the third branch of the Wehrmacht, at the side of the Reich Army and Reich Navy. With effect from that date personnel employed under Article 40a of the Defence Law³ in the Reich Air Ministry as officers, non-commissioned officers, other ranks and L[ufthansa?] officers are to be enlisted as soldiers.

At the head of the Reichsluftwaffe will be the Reich Air Minister.

For the rest the Defence Law will be applied.

Regulations for the execution [of this decree] will be issued by the Reichswehr Minister and the Reich Air Minister.⁴

The Führer and Chancellor

ADOLF HITLER

The Reichswehr Minister

v. BLOMBERG

The Reich Air Minister

HERMANN GÖRING

³ For the Defence Law of Mar. 23, 1921, see *Reichsgesetzblatt*, 1921, Pt. I, pp. 329-341; for article 40a see *Reichsgesetzblatt*, 1933, Pt. I, pp. 526-527.

⁴ By communication Z.A. 1e No. 1022/35 v. of Mar. 12, 1935, the Reich Air Ministry informed the Foreign Ministry (7477/H186975-76) and the Reich Chancellery (M50/M001228-29) of the gist of this decree and stated that units of the Luftwaffe had been instructed to inform local authorities accordingly. The letter added that it had been decided for reasons of general policy not to publicize these measures and requested that this information should not be communicated to subordinate offices.

No. 508

6680/H096242

The Foreign Minister to the Reich Finance Minister

SECRET

BERLIN, February 27, 1935.
IV Chi. 408.

With reference to the agreement reached by telephone between the

experts of both Ministries, I am enclosing a memorandum¹ on the situation and on the views of the Foreign Ministry concerning the question of granting credits to Herr Klein.

V. NEURATH

¹ Typewritten marginal note: "The draft [6680/H096227-31] of the memorandum was signed by Ministerialdirektor Meyer."

6680/H096237-41

[Enclosure]

BERLIN, February 20, 1935.
zu IV Chi. 408.

Herr Klein has submitted a report on his last year's visit to China together with the preliminary contracts which he arranged with the Nanking and Canton Governments and has reported on his plans.² This office thereupon got in touch with the Reichswehr Ministry³ and with the Golddiskontbank.⁴

It is only natural that the seizing of all opportunities of obtaining raw materials in exchange for industrial products is most warmly approved and supported here. This is particularly the case where raw materials necessary for the defence of the country are concerned. Beyond this, every endeavour to extend German-Chinese economic relations on the basis of barter transactions will be heartily welcomed by the Foreign Ministry.

There is no need to deal here with the above-mentioned report on Herr Klein's journey, which requires correction on many points of fact. Nor can a final judgement be given as to whether the preliminary contracts which Herr Klein has concluded with the Central Government at Nanking and the Provincial Government at Canton have a sufficient basis to guarantee their being carried out and achieving their objective, namely to obtain sufficient quantities of raw materials in exchange for German industrial products and expand German-Chinese trade relations.

According to his own statements, Herr Klein's project envisages unsecured credits for the Canton and Nanking Governments, amounting to 200 and 100 million [Reichsmark] respectively, which are to be gradually met by the delivery of Chinese raw materials and other products of the country. The credits are intended to finance the purchase of German industrial products for Nanking and Canton. War industries are to be established in Nanking and in Canton, and other industrial plants are to be constructed in Canton (a bomb factory, an explosives factory, a gas-mask factory, shipyards, docks, railways

² See document No. 472, footnotes 1 and 2. No other record of a visit by Klein to the Foreign Ministry has been found.

³ See document No. 491.

⁴ See document No. 488.

etc.). In order to start on these projects, according to statements by the Golddiskontbank, twenty millions each are first to be placed at the disposal of the Chinese Governments in Nanking and Canton in the form of a revolving credit for orders to Herr Klein, which by constant renewal should in time reach the amount of 200 and 100 million respectively.

Klein's projects have raised a number of important political and economic questions. Up to the present neither the Nanking nor the Canton Government have been granted unsecured credits from any foreign quarter. The highly precarious financial position of the Central Government as well as of the Canton Provincial Government did not admit of such transactions. From the political aspect, in view of the tense relations still prevailing between Nanking and Canton on the one hand and the increasing Japanese pressure on China on the other hand, great caution should be shown in dealing with such projects unless they have fairly adequate guarantees. Japanese policy increasingly aims at bringing China into the closest cooperation with Japan while excluding every foreign influence. These efforts are leading to Japan's endeavouring more and more to stop imports of foreign arms into China and, recently, to remove foreign military advisers from China. Japan would even like to exercise a certain degree of control over the part played by foreign capital in the Chinese economy.

As Klein's project had previously been discussed with Colonel General von Seeckt who in turn discussed it with Marshal Chiang Kai-shek, the Foreign Minister telegraphed to Herr von Seeckt⁵ for his views on Klein's project and to make certain what attitude Marshal Chiang Kai-shek was adopting to the Nanking project and particularly to the Canton project. Herr von Seeckt gave his opinion, as may be seen from the enclosed telegram.⁶ The most important point in Seeckt's telegram was that he advised postponing the carrying out of Klein's further Canton plans until after the conclusion of the negotiations with Nanking, or beginning with deliveries for *non-military* installations (shipyards, mining equipment, railway and dock construction). Before granting the credits to Nanking as well as to Canton, which he recommended, it would have to be ascertained, as Herr von Seeckt emphasized, what could be delivered from there, immediately or within a year, and that the preparations for these deliveries had already begun.

Prince Reuss, the representative of Herr Klein, has been informed here regarding this opinion of General von Seeckt's. Prince Reuss stated that he fully shared General von Seeckt's opinion. The Canton project was at present in the forefront. As regards Canton, it is proposed first of all to send out a commission of experts who should, in

⁵ See document No. 493, footnote 1.

⁶ The telegram printed as document No. 493.

from eight to twelve months' work, establish the existence of the raw materials and the possibilities of exploiting and transporting them. This commission of experts will be financed by Herr Klein and his company at their own expense to an amount of about 300,000 Reichsmark. The result of the investigations by this commission will be of decisive importance for granting credit to the Canton authorities.

The present application for the granting of unsecured credits to an amount of twenty million Marks each, necessitates a decision in principle as to whether funds up to this maximum amount should be risked on Klein's projects for Canton and Nanking.

As every possibility of obtaining the necessary raw materials must certainly be utilized, this attempt also must be made to obtain raw materials in exchange for German industrial products; in this a not inconsiderable risk will be unavoidable. At first, therefore, a certain amount will probably have to be made available in order to facilitate the exchange of German industrial products for certain raw materials already obtainable and further for the delivery to Canton of machinery necessary for sinking mines and the extraction of mining products (smelting and transport equipment). On the conclusion of the preliminary work it will then be seen whether and to what extent Herr Klein's plans are practicable.

In carrying out Klein's projects everything will have to be avoided which might give the impression that Herr Klein has any official or semi-official assignment. All political complications and any danger to normal German-Chinese commercial relations must be most scrupulously avoided.⁷

⁷ Copies of the memorandum here printed were sent to the President of the Reichsbank and Gen. von Reichenau under cover of letters of Feb. 27 (6680/H096242-43) and to Reichsbank Director Jünne under cover of a letter of Mar. 1 (6680/H096244).

No. 509

6144/E459650-51

Memorandum by the Director of Department VI¹

TOP SECRET

BERLIN, February 27, 1935.

II Ts. 382.

Dr. Steinacher of the VDA has applied for a sum of about three million Ké (approximately 300,000 RM) for the elections in Czechoslovakia, which are expected to be held in a few months' time.² This sum is to be used in support of the Henlein Front, the federated move-

¹ This document was addressed to Department II for co-signature and was initialled by Renthe-Fink on Feb. 27.

² See document No. 482, footnote 1.

ment of the German minority in Czechoslovakia, to enable it to emerge from the elections in as strong a position as possible.

According to Dr. Steinacher, he has already discussed this question with the Reich Finance Minister who said he was prepared in principle to make the required funds available provided the Foreign Ministry makes the necessary application to him.

The preliminary departmental discussions on this question have not yet been concluded. In view of the great importance of this matter, the German Minister in Prague has been recalled to Berlin for consultation.

Even though the risk for the Sudeten German minority is very great, in view of the danger that the action might become known, Dr. Steinacher nevertheless emphasized that it is of paramount political interest to Germany that the Henlein Front should not be left in the lurch at a moment which might be decisive for the Sudeten German minority. Every possible way of lessening the risk (the timing of the action, the size of the sum, how to disguise the transfer, etc.) is being considered.

For the moment it is simply a matter of agreeing in principle to the granting of aid to Henlein. The transfer of the sum of Czech crowns could probably be spread over several months. It would be desirable to obtain sanction in principle forthwith for the sum to be provided from the Reich Finance Ministry funds, and for its transfer.³

ST[IEVE]

³ A receipt, dated Aug. 28, 1935, and signed by Konrad Henlein (6144/E459652), acknowledges the sum of 331,711.30 RM paid to him "for election purposes".

No. 510

6115/E455059-60

Memorandum by an Official of Department II

BERLIN, February 27, 1935.

zu II Oe. 507.¹

On February 26 an interdepartmental meeting took place in the Reich and Prussian Ministry of the Interior to discuss budget questions in connexion with the Austrian Relief Agency North-West (Austrian Legion).² During the discussion on questions of principle connected with the transfer of the Legion to North-West Germany, Obergruppenführer Reschny confirmed that the area south-west of Borken in

¹ Not printed (6115/E455057-58). This was a communication of Feb. 18 from the Minister of the Interior to the Minister of Finance and the Treasurer of the NSDAP, a copy of which was sent to the Foreign Ministry, announcing an interdepartmental meeting to discuss the question of the Austrian Relief Agency on Feb. 26.

² See document No. 398 and footnote 1 thereto.

Westphalia as far as Cleve and Wesel had been allotted to the Legion. There was, however, a possibility that the Legion might be stationed further east, in the Münster area, so as to move it further away from the German-Dutch frontier.

As regards the tasks to be allotted to the Legion after its move. Obergruppenführer Reschny said that work on land reclamation was out of the question, but that these tasks should on the contrary, consist of "social work and military training". He assumed that the move had been made in order to assign national defence duties to the Legion. He was of the opinion that this must stem from an order by the Führer and Chancellor himself.

The representatives of both the Reich Ministry of the Interior and the Reichswehr Ministry stated that they had no knowledge of such an order. As Obergruppenführer Reschny could produce no further evidence for the authenticity of the order, the representatives of the Reich and Prussian Ministry of the Interior and of the Reichswehr Ministry said they were prepared to ascertain, through their Ministers, the content of the relevant orders which had been given by the Führer and Chancellor himself.

ALTENBURG

No. 511

8911/E621998-2001

The Foreign Ministry to the Legation in Czechoslovakia

Drafting Officer: Dr. Heinburg.

BERLIN, February 28, 1935.

Sent March 2.

zu II Ts. 336.¹

381.²

With reference to your report A III 1 b 8 Eg. of February 7.³

On behalf of his Government the Czechoslovak Minister has now raised the question, as he had said he would, of concluding an agreement for the settlement of the *émigré* question. He explained at the same time that it would be in the interest of good-neighbourly relations between the two countries if the problem could at least be studied jointly for once. He himself had already been working on this question for years, and it had always been of particular interest to him as a lawyer. He had in mind a kind of scheme which would embrace cases of three kinds: 1) the right of asylum, which should be granted to any foreigner who kept within the law; 2) police surveillance wherever

¹ Not printed (8911/E621990-92); this was a memorandum by Köpke of Feb. 19 on a conversation that day with Mastný on the *émigré* problem.

² Not printed (8911/E621993-94); this was a memorandum by Köpke of Feb. 26 on a further conversation that day with Mastný on the *émigré* problem.

³ See document No. 480, footnote 2.

political activity is attempted, suspected or proved; 3) prosecution of anyone guilty of engaging in unlawful political activity.

The Acting State Secretary told the Minister in reply that, in view of the international discussions on the non-intervention pact⁴ at present in progress, it seemed impracticable to us to make the *émigré* question, which constituted an important part of the treaty, the subject of special discussions now between Czechoslovakia and Germany. Moreover, in the light of our past experiences in this field, it seemed doubtful to us whether this difficult problem could in any case be solved by contractual agreements. Rather, it appeared to us that it would suffice, and even be expedient, if, as hitherto, cases were dealt with as they occurred through diplomatic channels alone, thus clearing up any difficulties as they arose.

The Minister was satisfied with this reply, but pointed out that his attempt to initiate conversations with us on the *émigré* problem was based on specific instructions from his Government, to whom he would now explain that their proposal had not fallen on fertile soil here and why. M. Mastný added that meanwhile doubt had apparently arisen even in Prague itself as to the feasibility of making progress on the *émigré* question through agreements or even through international treaties. Significant in this connexion was the public speech which Beneš had recently made to his press,⁵ in which he had drawn attention in the gravest manner to their obligations, and had warned them emphatically to refrain from attacking and disparaging foreign Governments and statesmen as immoderately as they had done hitherto. On the *émigré* question, too, the Czechoslovak Government had meanwhile decided to adopt vigorous measures. The Government in Prague had of late taken the strongest action against certain *émigrés* in order thus to put a stop to the numerous excesses indulged in by these foreign elements, which had gradually become intolerable, and so put their own house in order by exercising their own authority. M. Mastný expressed the hope that the measures taken by his Government would be acknowledged and duly appreciated by us.

You are requested to report on the Czech Government measures mentioned by M. Mastný.⁶

By order:
RENTHE-FINK

⁴ See document No. 417.

⁵ This is presumably a reference to a speech at Iglau on Feb. 9, reported in the press on Feb. 10, 1935.

⁶ In report A III 1 b 8 Eg. of Mar. 6 (8911/E622009-10) Koch stated that there was no evidence that the Czechoslovak Government had taken any measures against the *émigrés* and their anti-German propaganda.

No. 512

8580/E602114

The Minister in China to the Foreign Ministry

Telegram en clair

No. 13 of March 1

SHANGHAI, March 1, 1935—12:08 p.m.

Received March 1—8:40 a.m.

IV Chi. 431.

The press has published detailed reports about the Japanese demand for the replacement of the German military adviser by . . . (group missing). The Assistant Japanese Military Attaché has explained that this is due to a misunderstanding; in his conversation with the Marshal, the Military Attaché had only pointed out that the Japanese should be given the same opportunities as other Powers, and, in addition, manœuvres should not take place at which it was obvious that Japan was the potential enemy.¹

I suggest informing the press that Seeckt will now carry out in March his original plan of leaving China in the spring.

(From here onwards in secret cipher)

Confidential. Seeckt has informed me that he has handed his resignation to the Marshal and has in the first place received three months' leave of absence for a visit to Europe. Tokyo has been informed.

TRAUTMANN

¹ See also document No. 168.

No. 513

7893/E572220; 24-26

The Embassy in France to the Foreign Ministry

A 1098

PARIS, March 1, 1935

A 1099

Received March 4

II SG.445

Subject: Exchange of Notes regarding the demilitarization of the Saar

With reference to my telegrams No. 190 of February 28¹ and No. 193 of March 1, 1935.²

¹ Not printed (7893/E572211-13); this repeated the texts of the German Notes and stated that it had been agreed not to publish the second one.

² Not printed (7893/E572214-17); this repeated the texts of the French Notes.

I have the honour to submit herewith copies of the Notes³ exchanged between myself and the French Foreign Minister regarding the demilitarization of the Saar Territory.⁴

By order:
FORSTER

³ Enclosed with this despatch, in addition to the two German Notes here printed as enclosures, were two French Notes of even date in reply (7893/E572221-23). The first French Note, after repeating the text of the first German Note, continued as follows:

"... I have the honour to take note of the above communication and of the points specified in respect of the application in the territory returning to the Reich of the régime provided for in Articles 42 and 43 of the Treaty of Versailles.

"I should at the same time be grateful if you would bring the following to the attention of your Government:

"1. As regards the presence at any time in the Saar Territory, henceforth demilitarized, of SA, SS, or compulsory labour service formations, the French Government, having regard to certain of the characteristics of the above-mentioned formations, feels compelled to enter the fullest reservations.

"2. With a view to the application of Article 43 of the Treaty prohibiting the maintenance in the Rhine area of all permanent works for mobilization, the French Government regards it as a matter of great importance that the railway system and the road system should not be developed except in such ways as may be justified on economic grounds. Such being the case they reserve the right, should any difficulty arise in this respect, to urge their point of view through the diplomatic channel or by recourse to the form of procedure provided for in the Treaties in force..."

This reply, together with the first German Note, is published in League of Nations: *Official Journal*, April 1935, pp. 527-529.

The second French reply repeated the text of and acknowledged the second German Note. Neither of these two Notes was made public.

In a memorandum of Feb. 28 (7893/E572209-10) Frohwein, recording his consultations with the Air Ministry and telephone conversations with Forster, noted that it had been agreed with Massigli that the statements about possible alterations to the Saarbrücken airport would be embodied in a separate confidential Note.

⁴ Copies of all four Notes were sent under cover of despatch II M.448 of Mar. 4 (7893/E572227-33) to the Missions in London, Rome, Washington, Madrid, Warsaw, Berne, Brussels, The Hague, Stockholm, Oslo, Copenhagen, Helsinki and Budapest. The despatch concluded as follows:

"The matter has thus been settled to the satisfaction of both parties. If it should be referred to in conversations by foreigners the matter should be described as the settlement of certain technical points connected with the extension of the demilitarized régime to the Saar Territory, which arises naturally from the legal position.

"The question of the demolition of certain railway installations (link lines and military ramps) was not included in the Franco-German conversations as the French Government had previously declared that they intended to refer this matter to the Governing Commission. As has become known here confidentially, this has in fact been done. However, the Governing Commission, which was clearly not inclined to have demolitions carried out in the Saar Territory before the transfer of power to the Reich, has treated the matter in a dilatory manner. The question of demolitions has thus settled itself in a negative sense."

[Enclosure 1]⁵

A 1088

PARIS, February 28, 1935.

MR. MINISTER: By order of my Government I have the honour to transmit to Your Excellency the following communication:

The Saar Territory is included in the area covered by Articles 42 and

⁵ Copies of the first German Note and the French reply to it under cover of a communication—II M.439—summarizing the previous negotiations, were sent by Frohwein on Mar. 2 to the Berlin Headquarters of the SA, the SS and the Labour Service (7893/E572218-19).

43 of the Treaty of Versailles: it therefore follows that the provision applicable to that area will also apply to the Saar Territory after its return to Germany.

The German Government desire more particularly to specify the following points:

1. *Police.* The normal strength of the police force of all categories stationed in the Saar Territory after its return to Germany will, generally speaking, correspond to the normal strength of the police forces which were assigned to it and which comprised approximately 1,500 police officers of all categories.

The maximum strength of the police stationed in the demilitarized area on the left bank of the Rhine, including the former bridgeheads, fixed in the previous negotiations at 10,000, including 3,000 in barracks, will therefore be increased, after the return of the Saar Territory, to a total of 11,500, including 3,300 in barracks. The police assigned to the Saar will be armed in accordance with the provisions of the agreements in force with regard to the police as a whole.

As regards the police reinforcements which exceptional circumstances might temporarily necessitate, more especially during the period immediately following the return of the Territory to Germany, the regulations laid down in respect of the whole of the demilitarized area under the previous agreements will also be applied to the Territory of the Saar.

2. *Aviation.* To the four airports already provided for in the demilitarized area will be added one airport at Saarbrücken, to be governed by the provisions of the Agreements of May 22, 1926.

A landing ground will be provided for at Saarlouis having the characteristics of landing grounds for civil aviation within the meaning of the Agreements of May 22, 1926, regarding Aerial Navigation. Thus the total of sixteen landing grounds for the whole demilitarized area will be increased by one.

Pray accept, Mr. Minister, the assurance of my highest esteem.

KÖSTER

[Enclosure 2]

A 1089

PARIS, February 28, 1935.

MR. MINISTER: With reference to my Note A 1088 of February 28, 1935, I have the honour to inform Your Excellency on behalf of my Government that, pursuant to the provisions of the Aviation Agreements of May 22, 1926, the dimensions of the airport at Saarbrücken as well as the nature and dimensions of its fixed and other equipment shall not exceed the genuine requirements of normal commercial aviation as

based on the regular traffic of the lines in operation. There shall, in particular, be no underground hangars constructed there.

Pray accept, Mr. Minister, the assurance of my highest esteem.

KÖSTER

No. 514

9387/E664878-79

Memorandum by an Official of Department IV

BERLIN, March 2, 1935.

e.o. W IV Ru. 839.

Major von Ehsebeck (Reichswehr Ministry) called on me and asked if there would be any objections to making use of the large list of orders submitted by the Russian Trade Delegate last January,¹ in the forthcoming conversations with the British Foreign Secretary, Simon, as evidence of Russian plans for rearmament.

I replied that the following points must be borne in mind:

1. After the speeches made at the Seventh Soviet Congress,² there could in my view no longer be any doubts as to the high level of Russia's armaments and her continued efforts to raise them still further.
2. To communicate the list to the British would undoubtedly result in wrecking the proposed two hundred million [Mark] transaction with Russia, since it would be impossible to conceal this step from the Russians, and since after this breach of confidence they would hardly be willing to place the proposed orders in Germany. On the other hand British industry would be delighted to ascertain what orders the Russians had to place and would undoubtedly try to enter the market.
3. The list had been turned down by Germany and was no longer the subject of negotiations.

Major von Ehsebeck said that he did not know of this last circumstance and that it substantially changed the situation. Furthermore, there were considerable doubts in the Reichswehr Ministry as to whether it would be useful to communicate the list of orders to the British. To be quite certain he had wished to obtain the views of the Foreign Ministry.

I promised to find out and let him know definitely on Monday or Tuesday.

¹ See document No. 505, footnote 3.

² Held in January 1935. Extracts from Molotov's report to the Congress, on Jan. 28, are printed in *Soviet Documents on Foreign Policy*, vol. III, pp. 103-116. Schulenburg reported the speech in despatch No. A 296 of Feb. 2 (9458/E667316-29).

BERLIN, March 4, 1936.

After discussing the matter with Counsellor von Tippelskirch, I told Major von Ehsebeck, who has just telephoned, that there could be no question of communicating the list to the British, either in part or in its entirety, for the reasons of which he had already been informed.³

BRÄUTIGAN

³ Marginal note: "I agree. Hey."

No. 515

6116/E455379-81

Minister Papen to Foreign Minister Neurath

At present in BERLIN,

March 3, 1935.

II Oe. 717.

DEAR NEURATH: It is probable that the Austrian question will be also dealt with during Sir John Simon's visit to Berlin,¹ inasmuch as an attempt will be made to discover our views on the whole question of the proposed pacts. I should therefore not like to omit giving you in a few words an outline of my ideas, as seen from Vienna, about the tactics to be adopted in further conversations on the Danubian Pact:

First it could be pointed out that the Reich Government, when appointing me, and in fact by appointing me, had already tried to terminate the policy which had led to July 25, 1934, and to re-establish normal and friendly relations. It could then be affirmed that I have on the Führer's orders left no stone unturned during the past seven months to come nearer this goal. Nevertheless, my repeated official assurances to the Austrian Government that the Reich has no thoughts of any interference, my attempts, by means of concessions on either side to pull down the wall which has separated us since July 25, the correct and restrained attitude of the German press on Austrian questions since that date—all this has achieved nothing. It is obvious, and the journeys of the Austrian Government to Paris and London² have proved it afresh, that the Austrian Government are seeking to stabilize their own weak position at home by telling the whole world the downright lie that Germany is threatening Austria's independence. The Austrian Government positively exists by virtue of the strained relations with the German Reich.

¹ See documents Nos. 555 and 559.

² Schuschnigg and Berger-Waldeneegg visited Paris and London Feb. 21-24 and 24-26, 1935, respectively. The instructions of Mar. 12, 1935, to the principal Missions in Europe (8642/E605102-19), based on information on these visits received by the Foreign Ministry, are not printed.

The Reich Government have emphasized, in connexion with the Rome conversations that they are quite prepared to cooperate on the proposed lines in the pacification of Central Europe. They have put a number of questions which have not yet been answered.³ However, the following can even now be said:

The willingness of the German Government to participate in some instrument, designed to guarantee mutual independence or non-intervention is equalled only by the unwillingness of the Austrian Government, in such an event, for their part to lift the restrictions which they have imposed *vis-à-vis* Germany.

My tactics at the recent Vienna discussions before the Paris visit, were to ascertain whether the Austrian Government would be prepared, if the Führer were to make a declaration regarding independence and non-interference, for their part to restore normal relations automatically, i.e., to grant admission to the German press as a whole, to respect the German national emblems etc. The answer was a blunt "No".⁴ This situation must, in my opinion, be exploited with all parties in order even now to put the blame for a breakdown in the negotiations on Austria. We cannot be expected to make a treaty with Austria in a vacuum as it were, i.e., without having previously found some psychological basis. As long as the Austrian Government continue overtly and covertly to describe National Socialism, the fundamental doctrine of the German State, as semi-bolshevism, as long as Austrian nationals continue to emigrate to Germany (in consequence of the persistent persecution of Austrian nationals from January 1 to February 15, more than 3,000 *émigrés* have come here), and, especially, as long as the Austrian Government by this harsh attitude keep alive a constantly hostile attitude towards Austria amongst some 45,000 *émigrés* on German territory (the control of whom would be impossible for the best police) just so long can one be certain that the Austrian Government will continue to describe any Reich German statement which they do not like as interference and a breach of treaty.

If the Great Powers, therefore, desire a continuance of the negotiations on the Danubian Pact, and if they sincerely desire a mutual settlement of the German-Austrian questions, then they should direct their efforts towards convincing the Austrian Government that the first step, after the seven months of fruitless effort by the Reich, must be for the Austrian Government to meet us half-way by normalizing their relations with us.

It might perhaps be advisable to pass these ideas on to our Ambassadors in Paris and Rome so that the tactics employed in dealing with the problem may be the same everywhere. I explained this line of

³ See document No. 460.

⁴ See document No. 464.

thought to the Führer on February 28, and he made no objection to it.⁵

With best wishes and Heil Hitler!

PAPEN

⁵ The text of the letter here printed with the exception of the first, third and final paragraphs, was forwarded to the principal Missions in Europe on Mar. 14 (6116 E455382-86) with the comment that Hitler had approved Papen's views and with the request to adhere to them in any conversations.

No. 516

5737/H029235-38

Ministerialrat Berger to Foreign Minister Neurath

BASLE, March 3, 1935.

Received March 14, 1935.

II It.494.

MY DEAR REICH MINISTER: At the request of the Reich Minister of the Interior I interrupted my holiday in Switzerland and spent the first of March in Saarbrücken.¹

It was indeed rather a lot all at once there and not everything went according to plan, but the magnitude of the historical event effaced such irregularities.

I assume that Aloisi, with whom I had another confidential chat in the late evening at Schloss Halberg, thinks the same.

During this talk Aloisi at once spoke to me about the conversation with the Führer. He laid stress on the fact that the Führer had charged him with an apparently warmly expressed greeting for Mussolini. However, they had not got round to any discussion (which, as Aloisi had indicated to me in Naples,² he was seeking on German-Italian and European questions).³ This had not been possible if only for the reason that about twenty people had been present.

¹ On Mar. 1 the Saar Territory was formally transferred to German sovereignty by Aloisi and the other two members of the Committee of Three exchanging documents on behalf of the League, with the Reich Minister of the Interior, Dr. Frick. Shortly after the ceremony of transfer Hitler arrived in Saarbrücken for the ensuing celebrations.

² Franco-German negotiations under the auspices of the Committee of Three, on technical questions arising from the reintegration of the Saar, began at Basle on Jan. 25 and continued at Rome and Naples; they were concluded on Feb. 18. See *Reichsgesetzblatt*, 1935, Pt. II, pp. 121-158.

³ In a letter to Neurath of Feb. 21 (5737/H029203-04) Hassell reported that Aloisi had expressed to Berger the wish to make, after the take-over, a trip to Germany which might help to improve Italo-German relations. Hassell warmly supported this idea. In telegram No. 47 of Feb. 27 (8035/E577878) Hassell reported that Biancheri had mentioned to Smend, Counsellor at the German Embassy in Rome, that, on the occasion of the reception to be given by the Committee of Three, Aloisi, who was convinced of the necessity for an understanding with Germany, hoped to have an opportunity to discuss Italo-German relations with the Führer. This telegram bears the following marginal notes: (i) "Immediate. Reich Chancellor: I do not consider the time and occasion appropriate for such a conversation. Neurath, Feb. 28." (ii) "The Chancellor is informed. [Lammers], Feb. 28."

Aloisi was obviously very disappointed. I had already learned this previously from the Marchese d'Ajeta, his Private Secretary. As I told Voigt, he had already informed me in Naples that he was not going to Saarbrücken merely for the act of transfer and had evidently been given special instructions by Mussolini.

To what extent Aloisi's personal wishes play a part in this, I am unable to judge. I myself was not present at the conversation and am therefore only repeating what I have learned and gathered from Aloisi himself. I am doing so in this way—I did not have another chance of speaking to one of your staff about it—in order, if it should fit into your policy, to give Aloisi an opportunity of continuing to play his part.

I myself replied that the domestic aspect of the Saar problem had undoubtedly very much moved the Führer, who was about to make his big speech before the Saarlanders and the other German *Volksgenossen*. There had not been sufficient time, anyway, for a thorough discussion—and the Führer was always thorough—and it would perhaps have been better to have postponed a discussion of this kind until later.

I had the impression that Aloisi showed some understanding for this.

Yours etc.,

BERGER

No. 517

7467/H181983

The Foreign Minister to the Embassies in France, Italy, and Great Britain

Telegram

To Paris No. 117

BERLIN, March 6, 1935—3:20 p.m.

To Rome No. 60

e.o. II F Abr. 451.

To London No. 38

For your confidential information.

The resentment caused by the¹ British White Paper² has led to the

¹ Neurath deleted the word "tactless" in the draft at this point.

² On Mar. 4 there was issued a British White Paper, Cmd. 4827 of 1935, entitled *Statement relating to Defence, issued in connexion with the House of Commons Debate on March 11, 1935*, which referred, in paragraph 12, to the effects of German rearmament in the following terms: "This re-armament, if continued at its present rate, unabated and uncontrolled, will aggravate the existing anxieties of the neighbours of Germany, and may consequently produce a situation where peace will be in peril. His Majesty's Government have noted and welcomed the declarations of the leaders of Germany that they desire peace. They cannot, however, fail to recognize that not only the forces but the spirit in which the population, and especially the youth of the country, are being organised lend colour to, and substantiate, the general feeling of insecurity which has already been incontestably generated." On Mar. 5 Neurath informed the British Ambassador that the Führer was suffering from a cold and had cancelled all his engagements. The German Government therefore suggested that the visit of Sir John Simon be postponed. No record of this conversation has been found in the Foreign Ministry archives; see, however, *The Times* of Mar. 6, 1935.

postponement of Simon's visit in the form arranged.³ The visit has not been cancelled but a new date for it will have to be arranged.

NEURATH

³ It had been announced on Mar. 2, 1935, in Berlin and London that Sir John Simon would arrive in Berlin on Mar. 7 for conversations with the German Government. No documents concerning the fixing of this date have been found in the Foreign Ministry archives.

No. 518

7825/E567779-84

The Ambassador in France to the Foreign Ministry

Telegram

No. 202

PARIS, March 6, 1935.

Received March 6—4 p.m.

II It. 426.

With reference to our previous communication of January 28 [sic: 29].¹

Léger asked Forster to call on him today in order to communicate to him the following *aide-mémoire* of March 6² concerning our questions on the Central European Pact:

"In taking note of the *aide-mémoire* communicated by the German Ambassador on January 28 last,³ the French Government are happy to observe that the German Government are prepared to take part with the other interested Governments in an exchange of views for the purpose of concluding a treaty designed to promote feelings of confidence in Central Europe by assuring respect for the independence and integrity of the States concerned as well as non-intervention in their respective internal affairs.

To meet the desire expressed by the German Government that they be furnished with certain explanations on this subject, the French Government are happy to provide the following details:

(1) The project in question is entirely inspired by the idea of complete equality between all those taking part. As is indicated in the *procès-verbal* signed in Rome by the two initiating Governments,⁴ the proposed instrument would contain a mutual engagement amongst the signatories 'not to interfere in each other's internal affairs, as well as a mutual engagement not to foment or favour any agitation, propaganda, or attempts at intervention designed to infringe by force the territorial integrity, or to transform by force the political or social régime, of one of the Signatory Powers'. Such an engagement is to

¹ Document No. 461.

² The text of the *aide-mémoire* is in French in the original.

³ See document No. 460, enclosure.

⁴ See document No. 405, footnote 1.

be completed by each Government undertaking to prevent within their own territory those activities which they would undertake not to foment or favour in any other country. Given this purpose on the part of the signatories of the Pact, it is self-evident that, in assessing the activities in question, the Contracting Powers would have to take fully into account, without prejudice to all other considerations, the views of the State directly concerned.

It is scarcely necessary to add that the treaty should, in the first place, contain an undertaking by every Contracting Power not to indulge in any aggression against another Contracting Power.

The totality of these undertakings would be obligatory on all parties and would bind each of them in respect of all the others.

(2) The possibility, which is further envisaged, of entering into special engagements should be taken to mean that each Contracting Power is entitled to undertake, *vis-à-vis* any other Contracting Power, to ensure the application of the general engagements which form the basis of the treaty and to lend assistance to such co-Contracting Power, should it become the victim of a violation of the said engagements; this possibility would apply equally to all.

The French Government are entirely in agreement with the German Government as to the necessity of preventing any special conventions from disturbing the equilibrium of the general pact and falsifying its general conception. To this end the French Government consider that any special engagements should be uniform, included as a facultative clause in the general treaty, and open to the adherence of all signatories who might desire them.

(3) The project has been conceived of as including, from a regional point of view, together with the initiating States, the Successor States of the former Austro-Hungarian Empire, and Germany in view of her geographical position.

Wishing to allow for the traditional policy of Switzerland, the French Government have confined themselves to communicating the project to the Federal Government, leaving them full latitude to adhere, should they consider it desirable, such adherence being unexceptionable to all parties.

The British Government have been kept fully informed of the views on which the present project is based, and have taken the opportunity of manifesting their interest in the furtherance of confidence in Europe and in strengthening international peace. It has appeared desirable in these circumstances to leave it entirely to the British Government to decide whether and to what extent they might wish themselves to participate in the proposed engagements. British adherence would always remain open under the terms of the Rome *procès-verbal*; the French Government need not add how pleased they would be to learn of such adherence.

(4) Under the actual terms of the Rome *procès-verbal* the Franco-Italian consultative agreement concerning Austria must be considered as temporary and as only being valid until the entry into force of the general treaty of non-intervention and of the special agreements which this treaty is to contain. No amendment is called for since the wider consultation which the German Government appear to have in mind will result from the conclusion of the general treaty: the general treaty would in fact institute consultation amongst all the Contracting Parties in the event of the independence of one or other of them being threatened.

(5) The Rome *procès-verbal* twice indicates that the conclusion and functioning of the pact cannot be envisaged independently of the League of Nations. If in fact it should prove possible to make provision—and it is desirable to make such provision—for the Contracting Powers to consult together should one or other of them believe that they have suffered from a violation of the pact, it is necessary to provide an organization and a procedure to consider whether such violation has occurred. It would not appear, whatever might be Germany's position with regard to the League of Nations at such time as this treaty might be concluded, that Germany has any more reason to reject an investigation by the Council of the League of Nations in such an event than in the case of those international agreements to which Germany remains a party and which expressly provide for recourse to this body.”

On Forster pointing out that, for instance over point (1) which deals with the scope of the principle of non-intervention, the *aide-mémoire* left unanswered a number of German questions, Léger explained that the purport of the French answer was to state clearly and loyally that France was concerned to build up the pact system through the fully equal collaboration of all participants. She wanted to avoid giving not only Germany but all other parties the impression that she wished to settle or even prepare any part of the system in separate discussions in which all those concerned had not taken an equal part. The French answer had therefore been deliberately kept as much as possible in the form of an outline. The French Government desired that every party concerned should possess and avail themselves of the opportunity of bringing up any question in which they were interested, in accordance with their views, so that the completed structure would ultimately represent the result of common negotiations and the collaboration of all. It was for this reason only that the French Government had refrained from going in more detail into the Central European pact in bilateral German-French conversations.⁵

KÖSTER

⁵ A confirmatory copy of the French *aide-mémoire* was sent to Berlin on Mar. 7 under cover of report A 1142 (9966/E69689-92).

No. 519

The Ambassador in Great Britain to the Foreign Ministry

Telegram

No. 66 of March 6

LONDON, March 6, 1935—8:47 p.m.

Received March 6—11:45 p.m.

II Abr. 457.

The German Government's request that the British Minister's visit be postponed has caused a sensation here.¹

The official attitude at present is to evince no doubt that the Reich Chancellor's illness is the reason for the postponement. Accordingly, in a letter of thanks for congratulations on his birthday, Sir John Simon yesterday expressed his regret at the Reich Chancellor's indisposition and his good wishes for his recovery. Beyond this, however, the contents of the White Paper are of course recognized as being the underlying reason for the excusal.

The incident undeniably places the Government in a very embarrassing position which will, in turn, doubtless give rise to strong resentment. The Government's foreign policy is characterized by the pursuit of two parallel objectives, namely world peace and increased armaments, objectives which it is not easy for them to defend simultaneously to their own people. This in itself is not an easy course to steer, requiring as it does on the one hand profession of faith in the effectiveness of international guarantees of peace and, on the other, emphasis on the dangers arising from the general increase in armaments. If, as a result of tactical and psychological errors, these parallel objectives conflict, as they do in the present case, the pursuit of this policy is endangered.

The Government are at the moment facing attacks from two quarters. On the one hand they are exposed to violent attacks from the Left, which sees welcome additions to its weapons of offence in the too sceptical attitude of the Armaments White Paper to the possibility of jointly securing peace, in the White Paper's leaning towards armaments *per se*, and in the rebuff administered to Berlin. On the other hand they are being criticized by those who have no fault to find with the spirit of the White Paper but who condemn the moment chosen for its publication and its animus against Germany as tactless, illogical and clumsy and, in parts also, as unjust. Complete satisfaction is only felt by those to whom rearmament is of prime importance and who, moreover, do not believe in the possibility of achieving an understanding with Germany. It will not be exactly easy for the

¹ See document No. 517, footnote 2.

Government to deal convincingly with their various critics in the parliamentary battle which will be fought next Monday when the armaments debate takes place, although their eventual parliamentary success is of course, certain.

If one enquires into the question of blame it may first be said that the general debate proposed for the first time this year on the defence estimates as a whole, as well as the publication of a directive in the form of a White Paper, were decided on long ago. Postponement was for various reasons impracticable. The fault lies in the fact that the objectionable parts, in particular paragraph 12,² were written in the spirit which prevailed here last autumn, and were not redrafted in accordance with later developments. The reason for this bad mistake was given me by a well-informed source as being MacDonald's general attitude which in a strange way has become associated with the Hailsham³ wing's drive for armaments against Germany. The Prime Minister, as I have often reported, finds the need for increased armaments very disagreeable since it is contrary to his ideals, and he is striving to assemble every kind of argument to prove that this rearmament is unavoidable. He is annoyed at Germany's increased military strength and has got it into his head that the German armaments measures are the ultimate reason for the general increase in armaments. He therefore thinks that to point to Germany is the best way of making British public opinion, if possible including the Socialists, recognize the need for an increase in British armaments.

Simon, who I hear demurred at the dubious passages in the White Paper, failed through his own weakness to demolish MacDonald's arguments founded on home politics by the weightier arguments of foreign policy.

The press accepts it as a fact that the change in the official attitude is due to the Chancellor's illness, but, like the German press, considers that the simultaneous withdrawal of the invitation is a result of German resentment. The Left is mainly fulminating against the spirit of the White Paper itself and is thus indicating that MacDonald's above mentioned calculations were completely out. In the camp of the conservative press *The Times* is maintaining complete silence, after making it plain in a cautious article yesterday that it regretted the incident. I know that the editors regard the publication of those parts of the White Paper to which objection has been taken as unwise and unfair. The attitude of the Hailsham wing is expressed in the *Daily Telegraph*; I would draw special attention to its leading article, telegraphed in full by DNE.

It may be assumed that the Government will be concerned to recreate the right conditions for a German-British exchange of views

² For the passage relating to Germany in this paragraph see document No. 51 footnote 2.

³ Viscount Hailsham, Secretary of State for War

Purely formally, the position is, in their view, that the Head of the Reich Government has asked that the appointed visit be postponed on account of illness, and it is therefore for him to say when he could receive visitors.

It appears, in view of previous resolutions, that the debate next Monday, in which Baldwin and Simon are in any case to speak, will be used to clear up difficulties, even though the resentment which has arisen will to some extent hinder any attempts at mollifying Germany. In any case, as I learn from a source close to the Government, they would welcome an early communication in which Germany's willingness in principle to receive a visit from the Foreign Secretary was made clear, in order to make use of this in Monday's debate.⁴

HOESCH

⁴ Another copy of this document (C85/C001462-65) is marked: "The Chancellor is informed. L[ammers], Mar. 6."

No. 520

7825/E567785-89

The Ambassador in Italy to the Foreign Ministry

I. 143

ROME, March 6, 1935.

II It. 431.

With reference to our today's telegram No. 52¹ concerning the Italian reply to the German enquiries about the pact of non-intervention.

I have the honour to enclose a copy and a translation of the Italian reply to the German enquiries about the Central European pact of non-intervention.

HASELL

¹ Not printed (7825/E567778). This telegram announced that the Italian reply had been communicated that afternoon. See also documents Nos. 460 and 461.

[Enclosure]²

PRO MEMORIA

MINISTERO DEGLI AFFARI ESTERI,
ROME, March 6, 1935/XIII.

The Italian Government have learned with particular satisfaction that the German Government would be prepared to proceed to an exchange of views with the Governments concerned in order to examine the possibility of laying down in a Central European pact the principle of respect for the independence and integrity of the States themselves, and of non-intervention in the internal affairs of the respective States.

² Translated from the Italian. The German translation, also enclosed with this despatch, is filmed as 7825/E567790-94.

In order to facilitate the start of this exchange of views the Royal Italian Government are happy to furnish the German Government with the details desired by them.

(1) The Italian Government share the view of the German Government that the principle of non-intervention should be applied on the basis of the complete equality of all States party to the pact. As expressly stated in the *procès-verbal* which was signed in Rome on January 7 last by the Head of the Italian Government and the French Foreign Minister and which has already been communicated to the German Government,³ the Contracting Powers would mutually undertake to refrain from fomenting or favouring any agitation or propaganda, or any attempts at intervention designed to infringe by force the territorial integrity or to transform by force the political or social régime of one of the Contracting Powers.

This formula would be completed by an undertaking on the part of each of the Contracting Powers to prevent within its own territory all those activities which it has undertaken not to foment or favour in any other State. For the purpose of applying the pact in practice the most important factor in deciding whether or not a certain action constitutes intervention in the internal affairs of a State would be the assessment of the State concerned and of the other Contracting Powers.

The Italian Government hold that the provisions of the pact should apply, on the basis of complete equality, to any action of the above mentioned kind, from whatever side it comes.

It is evident that the pact in question should first of all contain the obligation for each Contracting Power to abstain from any aggression against any other Contracting Power. This undertaking should be obligatory on all parties and should be binding upon each of them in respect of all the others.

(2) The possibility which is envisaged of entering into special agreements should be taken to mean that each Contracting Power would be entitled to undertake, *vis-à-vis* any other one of the Contracting Powers, to ensure the application of the general engagements which form the basis of the treaty and to lend assistance to such Contracting Power should it prove to have been the victim of a violation of the said engagements. This possibility would naturally apply equally to all.

The Italian Government agree with the German Government as to the necessity of preventing these special agreements from disturbing the equilibrium of the general pact or falsifying its general conception. The Italian Government therefore consider that such special agreements should be uniform, included as a facultative clause in the general treaty, and open to the adherence of all Signatories, who would be informed of the said agreements.

³ See document No. 439.

(3) The German Government have enquired what criterion was applied in deciding which States should be invited to take part in the proposed pact of non-intervention. In this respect the main consideration has been the following: In order that the pact should meet the purposes which the Royal Italian Government had in mind, it was necessary to limit it, apart of course from those States which initiated the pact itself and Germany in view of her geographical position, to the Successor States of the former Austro-Hungarian Empire.

As regards the Swiss Confederation, the Royal Italian Government have informed the Swiss Government of the agreement achieved at the Rome conversations. That an invitation to adhere to the pact has not been extended to the Swiss Government, too, is purely out of consideration for the well-known traditions of Swiss policy. The Italian Government, moreover, would, for their part, have nothing against the Swiss Government's taking part, should they so desire, which does not however appear to be the case.

As regards Great Britain, the British Government have been kept fully informed of the agreements concluded in Rome between the Italian and the French Governments and have expressed their approval of the principles on which the proposed pact of non-intervention is based. Taking into account, however, the well-known views of the British Government with regard to commitments in questions of European policy, it was thought preferable to leave the decision as to whether and in what manner they intend to adhere to the proposed pact of non-intervention entirely to the British Government themselves. The Italian Government, for their part, could not but welcome it if the British Government too should decide to adhere.

(4) As has already been stated to the German Ambassador, and as emerges from the wording of the *procès-verbal* of January 7, the pact of consultation between France and Italy on the Austrian question has been envisaged as obtaining whilst awaiting the conclusion of a pact of non-intervention between all the States, and it is intended only to remain valid until the entry into force of the treaty itself and of the special agreements which are to accompany it.

In the view of the Italian Government the general treaty should provide for consultation between all Contracting Powers in the event of the independence of one of them being threatened.

(5) The Rome *procès-verbal* refers to the "framework of the League of Nations" and to the "cooperation of the League of Nations".

Since in fact consultation between the Contracting Powers—which is in the general interest—is provided for in the event of one of them believing that they are the victim of a violation of the treaty, it is necessary to provide an organization and a procedure to consider whether a violation of the undertakings has indeed occurred.

Whatever may be the German position at the time of the conclusion

of the treaty in question, it does not appear that there are any particular reasons for Germany to reject an investigation, in a case of this kind, by the Council of the League of Nations, since other international agreements in which Germany continues to take part also expressly provide for recourse to the League of Nations for their operation.⁴

⁴ In a minute addressed to the State Secretary and dated Mar. 8 (7825/E567795) Lorenz drew attention to certain differences between the Italian and French *aide-mémoires* of March 6 as follows:

"In point (1) the Italian version expresses more clearly the idea that the criteria for what is to be understood as constituting intervention must be the same for all parties to the treaty. Since our question was primarily concerned with Italy's relations with Austria, the French Government clearly wished to maintain reserve on this point.

"Further, in point (1) the French version makes the decision as to what shall be understood as constituting intervention dependent on the views of 'the State directly concerned', while the Italian version speaks of 'the assessment of the State concerned and of the other Contracting Powers'. In place of this the French version contains the addition: 'and this without prejudice to all other considerations', which probably means in the first place the Peace Treaty and the League of Nations Loan Treaty.' (See document No. 453, footnotes 3 and 4.)

No. 521

2088/624768-69

Memorandum by the State Secretary

BERLIN, March 7, 1935

The Chinese Minister spoke to me today with reference to previous conversations with Ministerialdirektor Meyer about rumours that a German-Japanese secret agreement exists.¹ This rumour, he said, which was circulating in nearly all Chinese Missions, was causing him Government concern and they had again instructed him to make enquiries. The rumour was also causing unfavourable repercussions on the position of, and confidence in, our German officers in China, and Marshal Chiang Kai-shek was being repeatedly reproached for allowing himself to be advised by nationals of a country which had close and secret relations with Japan.

I told the Chinese Minister definitely and conclusively that there was no secret agreement of any kind between us and Japan, put him broadly in the picture regarding our relations with Japan, and explained to him at some length that we did not, and why we did not, on principle make secret agreements of a political nature, and also that the idea expounded by him that the Franco-Russian *rapprochement* was causing us to seek a *rapprochement* with Japan was erroneous and did not fit in with our political system.

The Minister suggested that the Foreign Minister might on a suitable occasion publicly deny the rumour of a German-Japanese secret agreement. I rejected this and suggested to the Minister that he

¹ See document No. 350.

Government should for their part publish his (telegraphic) report on our conversation today.

The Minister then informed me confidentially that the Chinese representatives in London, Washington, Rome, Prague, Berne, Vienna and some other places were unanimous in reporting, on the basis of their conversations with politicians at their posts, that they were obliged to believe in the existence of a German-Japanese secret agreement. He, the Minister, was, of course, of a different opinion and was convinced that this rumour was absolutely without foundation. He then asked me whether Minister von Papen was informed regarding Far Eastern questions. When I said he was not, he told me entirely personally and in confidence that Herr von Papen had recently told the Chinese Chargé d'Affaires that Germany was compelled to seek a *rapprochement* with Japan, and this statement by such an authoritative German politician had naturally made a great impression on his Government.²

BÜLOW

² In a letter of Mar. 7 (6024/H045091-92), Neurath informed Papen that the Chinese Chargé d'Affaires in Vienna had obviously misunderstood a remark of his, and requested him to clear up this misapprehension and deny that Germany had any secret agreement with Japan. In a letter of Mar. 15 (6024/H045089-90) Papen replied that the mistake was due to the Chargé d'Affaires' limited knowledge of European languages, and that he would take an early opportunity to correct any misapprehension which might have arisen.

No. 522

6115/E455062

Memorandum by an Official of Department II

SECRET

BERLIN, March 8, 1935.

II Oe. 680.

Ministerialrat Erbe of the Reich and Prussian Ministry of the Interior has telephoned to say that Reichswehr Minister von Blomberg has meanwhile succeeded in speaking to the Führer and Chancellor in the matter of the Austrian Legion.¹ According to Herr von Blomberg, the Führer and Chancellor was most surprised that he should have been thought to have ordered the use of the Austrian Legion for purposes of national defence and its consequent deployment in the triangle stretching from Borken in Westphalia south-west to Cleve and Wesel. The Führer had told Herr von Blomberg that these assertions were "downright lies".²

ALTENBURG³

¹ See document No. 510.

² A minute by Köpke of Mar. 13, 1935 (6115/E455069-70), reads: "As the Reich Minister has given his consent to the Supreme Commander of the SA for the stationing of the Austrian Legion in the area from Borken in Westphalia south-westwards to Cleve and Wesel, and as the Reichswehr Minister has received a negative decision

No. 523

8911/E622013-17

The Minister in Czechoslovakia to the Foreign Ministry

A III 1 b 8 Eg.

PRAGUE, March 8, 1933.

Received March 11.

II Ts. 470.

Subject: Conversation with Beneš on the settlement by treaty of the right of asylum.

Minister Beneš asked me to call on him today. He seemed a little depressed that his proposal to conclude an agreement for the settlement of the *émigré* question had been rejected from the outset in Berlin.¹ He said that I, of course, knew very well the reasons which had led him to make the proposal. I agreed, but added that he had not taken me into his confidence at all. He replied that this was so, but said that the whole idea had occurred to him at an interview with Minister Mastný, whom he had sent off at once with instructions for action.

The basis for the proposal which emerged from the conversation was as follows:

1. There was no material significance to be attached to the "link" with the Sudeten Germans in the Reich which a bilateral treaty would secure. Beneš said, not entirely without justification, "People like Krebs² and Viererbl³ don't after all cut much ice in our country either with friend or foe".

2. Very little weight need be attached to the notion of wiping out the sins of the past in a general absolution while making all smooth for the future in preparation for the negotiations which may take place for a non-intervention pact.

3. Beneš is taking a long view. He remarked significantly: "The *émigrés* of today are known to us, but who can tell who in this unstable

¹ See document No. 511.

² Hans Krebs, a former Deputy in the Czechoslovak Parliament and Landesleiter of the NSDAP in Bohemia. In October 1933 he left Czechoslovakia for Germany, where he worked in the German Ministry of the Interior on press questions, and became a member of the Reichstag.

³ Karl Viererbl, a Sudeten German journalist. After leaving Czechoslovakia he joined the staff of the *Völkischer Beobachter*.

from the Führer and Chancellor on the question of the possible military training and employment of the Legion, which is also of interest to the Foreign Ministry, no action is to be taken by the Foreign Ministry for the time being in the matter of the Austrian Legion. The budget questions in connexion with the Legion fall within the competence of the Reich Ministry of the Interior which, in accordance with the agreement reached, will keep the Foreign Ministry constantly informed. It has been ascertained by telephone that the Reich Ministry of Finance has also been informed by the competent official."

³ This document is marked: "Has been submitted to the Foreign Minister."

Europe of ours will be an *émigré* tomorrow? What political trends will then manifest themselves in these questions? Governments come and go, but a treaty once it is signed is often astonishingly enduring and provides a sure yardstick even in new conditions." I had no doubt as to what he was thinking about at the time. In this country, too, there will one day be a clash between fascism and democracy in which, in Beneš' view, fascism will be worsted and forced across the frontier. Beneš shudders at the thought that these *émigré* fascists could then train their foul guns on Czechoslovakia, from the glacis of Germany, just as the Reich German *émigrés* have done on Germany. They would have a much more lethal weapon at hand for this than the German *émigrés* had. He would like to prevent such a state of affairs from developing.

4. The real grounds for the Beneš proposal, however, are to be found in the sphere of domestic politics. The legal principles laid down for the treatment of *émigrés* are lax and allow too much room for the free exercise of discretion. Consequently the subordinate officials, who are after all the ones who matter, do more or less what they like, or rather what they are required to do by whichever party is protecting and supporting them. (Here every local authority has its own local patron.) But the Government Parties—for they are the ones concerned—are very much divided on the *émigré* question. The Agrarians are thoroughly weary of the wretched business of the *émigrés* and demand either that they be talked to bluntly, or silenced, or, better still, driven out of the country. They desire better relations with Germany and are resolved gradually to make contact with their opposite numbers in Germany, even over Beneš' head. But, on the other hand, there are the German and Czech Social Democrats who sympathize with the *émigrés* in their hatred of Germany, and are protecting them.

Beneš is not in a pleasant position between these two stools. As far as the question itself is concerned he feels more and more in sympathy with the Agrarians; he would like to silence the *émigrés*. This was not always so; as long as he thought that National Socialism would not last in Germany, he supported the *émigrés* in every possible way. He now feels that he has backed the wrong horse and would like to change over to the other side. This could only be done, however, by sacrificing the friendship of the Social Democrats and is therefore quite out of the question, for the parliamentary elections will be held in May or October, and in view of the uncertain state of health of the aged President Masaryk, there might be a sudden presidential election. Without the coalition, in which the Agrarians and Social Democrats form equally important groups, Beneš would be done for; he cannot afford to fall out with either the one or the other. Any effective tightening-up of *émigré* legislation—unfortunately, the Foreigners Bill which has just been introduced has quite a different purpose!—is therefore out of the question.

This is where Beneš' clever (or so it appeared to me) gamble came in. By signing a treaty with Germany which, moreover, would not even require the assent of Parliament, he would

- (a) compel the subordinate officials in future to toe the line,
- (b) satisfy the Agrarians,
- (c) force the Social Democrats into acceptance by telling them with a few exaggerations, that this was the way the Sudeten German *émigrés* had been chained up, and
- (d) place the Government in a position to silence the *émigrés*.

Beneš roundly confirmed this statement (paragraph 4) when I summarized it to him. I then told him that he had certainly not given these reasons in Berlin and that the whole proposal had, in any case, come far too late, since the vehement agitation by the *émigrés* had long since lost a good deal of its punch.

DR. KOCH

No. 524

8662/E606427-31

9967/E696697

*Circular of the State Secretary*¹

BERLIN, March 11, 1935.

zu II Oe. 654,²

655³ Ang. II.4

The Austrian Government have recently made official protests here about an alleged case of inadmissible interference on the part of Germany in Austrian internal affairs. They based these objections on the Führer and Chancellor's speech at Saarbrücken on March 1,⁵ namely that passage in the speech where the Chancellor said the following:

"And this day will also be a lesson, a lesson to all those who, ignorant of an eternal historical truth, imagine that by terrorism or by force

¹ Addressees were the Missions in Rome, Paris, London, Ankara, Moscow, Warsaw, Vienna, Budapest, Belgrade, Bucharest, Prague, Sofia, Athens, Berne and Brussels.

² This was a memorandum by Köpke dated Mar. 6 (M110/M004050-57) in which he recorded the complaint made by the Austrian Minister. The copy in the Reich Chancellery file (1549/376712-19) bears the following marginal note in Neurath's handwriting: "R[eich]C[hancellor]", and is also marked "The Reich Chancellor is informed. L[ammers], Mar. 20."

³ This was telegram No. 24 of Mar. 6 addressed to the Führer and Chancellor from Vienna (M110/M004058-59) in which Papen reported that the Austrian Foreign Minister had informed him that he had given instructions that Notes of protest about the Führer's speech at Saarbrücken and his interview with Hennessy should be communicated in Berlin, London, Paris and Rome. The copy in the Reich Chancellery file (1549/376710-11) is marked: "The Reich Chancellor is informed. L[ammers], Mar. 7."

⁴ Under Ang. I, a letter of Mar. 7 (8662/E606423-26), Köpke forwarded to Papen a copy of the memorandum cited in footnote 2 above.

⁵ The DNB release containing the full text of the speech has been filmed as 9967/E696695-702.

they can deprive a people of its inmost being, a lesson to those who imagine that they can tear away from a nation a part of it in order to steal its soul. If only all statesmen could realize from this result that it is pointless to hope to tear peoples and states to pieces by such methods. In the end blood is stronger than all paper documents. Otherwise that which was written in ink will one day be washed out with blood. This inmost voice will in the end sound above all else loudly and clearly. Woe to him who refuses to learn from these facts. He will bring famine and care to mankind without reaching his goal. He will for a time bring suffering and need to the peoples, but in the end he will be shamefully defeated."

The Austrian Government have tried to deduce from an alleged interview, published in the English newspaper *Sunday Dispatch*,⁶ which the Chancellor is said to have given to the British Police Major Hennessy,⁷ that the above remarks from the speech at Saarbrücken were chiefly directed against Austria and Austrian statesmen. The remarks which the Chancellor made at the alleged interview consisted, as was officially stated⁸ immediately after the publication of the interview, only of certain statements which the Führer and Chancellor made on the same day during a private conversation with the British Police Major Hennessy at Saarbrücken, and which were repeated by the above-mentioned English paper without authorization and in a distorted form. As emerges clearly from the wording of the speech itself and from its context, the words to which the Austrian Government objected and which were addressed to the population of the Saar, referred to the provisions of the Treaty of Versailles concerning the Saar Territory. Not one single word was said in the entire speech about Austria and internal Austrian problems. The Austrian Government's attempt to prove the contrary by adducing the above-mentioned British press reports is also irrelevant. The Austrian complaint must therefore naturally be emphatically rejected as being entirely unfounded.

To our certain knowledge the Austrian Government have informed all Powers interested in the Danubian Pact of their complaint through diplomatic channels.⁹ It therefore appears probable that the matter will also be raised with you. We attach no importance whatsoever to the Austrian complaint as such. Nevertheless, the Austrian *démarche* acquires some importance from its wording and from its connexion, which is stressed, with the Danubian Pact. In this connexion I would draw your attention to an occurrence which took place recently in the

⁶ On Mar. 3.

⁷ Major G. R. Hennessy, who had been Chief Commissioner of the Volunteer Police Force in the Saar.

⁸ An official release was issued on Mar. 4 (9967/E696710). A further draft headed "for DNB" and initialled by Neurath on Mar. 8 (8662/E606432-33) is marked "Not published".

⁹ See footnote 3 above.

British House of Commons.¹⁰ To a question by a Labour Member as to whether, during the recent visit by Austrian statesmen to London,¹¹ the matter of the treatment of the Austrian Social Democrats in Austria had been raised, Sir [John] Simon replied that the conversation with the Austrian Ministers had left no doubt as to the high value which the Austrian Government placed upon the interest which the British public took in this affair. It is interesting to note that the Austrian statesmen for their part took no offence at such a subject being raised. For them the question of interference in Austrian affairs appears only to arise in relation to statements from Germany, even when such statements, as in the above-mentioned case, have to be deduced from false premises. Both events therefore deserve particular attention because they throw a curious light on the possibilities arising with regard to the interpretation of the concept of "interference in internal affairs" which is to be made the basis of the Danubian Pact. According to the answers to our enquiries which we recently received from the French and Italian Governments,¹² the country concerned is in fact to decide what is to be considered as interference within the meaning of the Pact, as each case arises. The contrast between the occurrences described above shows to what results this interpretation may lead in view of the double standard which is being applied to this question even now, at least by the Austrians.

I request you, if this affair is brought up with you, to set forth the facts of the case and to make use of the above as your personal view.

BÜLOW

¹⁰ This was reported from London by Bismarck in despatch No. A 861 of Mar. 7 (M110/M004060). For the full text of the exchanges see *Parl. Deb., H. of C.*, vol. 298, col. 1919.

¹¹ Dr. Schuschnigg, accompanied by Baron Berger-Waldenegg and Baron Heerdtl, of the Foreign Affairs Department of the Austrian Federal Chancellery, visited London Feb. 24-26.

¹² See documents Nos. 518 and 520.

No. 525

6144/E459656

*Circular of the Reichsleitung of the NSDAP*¹

TOP SECRET

CONFIDENTIAL

BUREAU VON RIBBENTROP

BERLIN, March 11, 1935

P. 1789.2

zu II Ts. 448.3

You are informed by Party Comrade von Ribbentrop on behalf of

¹ Addressees were the Propaganda Ministry, the Foreign Ministry, the Auslandsorganisation, and the Aussenpolitisches Amt.

² The original of the document here printed was received in the Press Department the relevant file of this Department is, however, not held.

³ This was a memorandum by Altenburg, of Department II, of Mar. 8 (6144/E459653-).

Minister Rudolf Hess⁴ that, in principle and in all circumstances, all attacks in the German press on Konrad Henlein, the leader of the Sudeten German Homeland Front, must cease.

Heil Hitler!

By order:

Signature

55), reporting that Bürger, the VDA's Czechoslovak expert, had that day informed him that two emissaries from Henlein had arrived in Berlin and had reported that the Czech Agrarians and the German Agrarian Party in Czechoslovakia wished to cooperate with Henlein in the forthcoming elections in order to bring about the fall of Beneš. Henlein was willing to enter into such an agreement with the approval and support of the German authorities. Bürger was informed that the German Government could not give the support asked for, as the question fell within the Party's, and more particularly Hess's, competence. See also document No. 16, footnote 7.

⁴ In a memorandum of Oct. 17, 1934 (8772/E611359-61), Köpke recorded that Steinacher of the VDA had that day informed him that Hitler had appointed Ribbentrop and Bohle, the Head of the Auslandsorganisation, to be members of the Volksdeutsch Council. Hess had made Ribbentrop his deputy with powers to act in all matters where he did not specifically reserve decision for himself. For the Volksdeutsch Council, see vol. II of this Series, *passim*.

No. 526

2368/494098

Memorandum by the Foreign Minister

BERLIN, March 12, 1935.

RM 222.

The British Ambassador telephoned me at 6 o'clock this evening to enquire whether it would be convenient if the British Ministers, Simon and Eden, paid their visit on March 25 and 26.¹ They would arrive here on the afternoon of March 24 and leave again by air on the morning of March 27. I informed the Ambassador that, subject to any other arrangements being made by the Chancellor, it would be convenient for us if the visit took place on the days mentioned.

I have had the Führer and Chancellor informed by telephone.²

V. N[EURATH]

¹ In memorandum RM 217 of Mar. 11 (2368/494096), Neurath recorded that he had informed the British Ambassador on Mar. 9 that it was not possible for the visit by the British Ministers to take place before Mar. 25. In reply to a question by the Ambassador, Neurath confirmed that all questions raised in the Anglo-French communiqué of Feb. 3 [see document No. 479, footnote 1] could be discussed.

² The Embassies in Great Britain, France, Italy, the Soviet Union and Poland were informed of the date of the visit by a telegram of Mar. 13 (7467/H182045).

No. 527

7825/E567800-02

Memorandum by an Official of Department II

BERLIN, March 13, 1935.

zu II It. 453¹ [Ang. I.]

Subject: The pact of non-intervention and the Consultative Agreement.

The replies of France² and Italy³ to our questions concerning the pact of non-intervention agree in substance.

Our question No. 1 as to whether the principle of non-intervention should apply to all signatories on a basis of full equality is, it is true answered in the affirmative. The rider that, in judging the case in dispute the point of view of the State directly concerned should be taken into consideration as far as possible, is, however, to convert in effect the principle of equality into its opposite.

Our fear that, in the case of Austria, only such interference will in future be considered inadmissible as is felt to be undesirable by the régime in power, is only confirmed by this rider.

German-Austrian mutual relations, which are conditioned by our common racial stock, are not taken into special consideration in the reply.

To what consequences the point of view represented in the reply will lead, and what application the Austrian Government intend to give to the concept of inadmissible interference, is shown by the *démarche* they made with the Governments invited to join the pact on the occasion of the publication in Britain of the conversation between the Führer and Reich Chancellor and Major Hennessy.⁴

The point contained in our question No. 2, namely that the proposed special agreements between the individual parties to the treaty should not disturb the general balance of the pact, is indeed expressly accepted in the reply. The further statements, however, in effect run counter to this. The purpose of these special agreements, which would take the form of a general facultative clause contained in the general treaty is said to be meant to be to ensure the application of the general agreements and to give support to fellow members.

Our fear that an agreement is to be made concerning mutual assistance which we rejected in the Eastern Pact, is accordingly likewise confirmed.

¹ See document No. 518, footnote 5.

² Document No. 518.

³ Document No. 520.

⁴ See document No. 524.

Our suggestion in question No. 3, whether it would not be advisable to invite Switzerland and Britain to join, is rejected with the remark that the initiative must here be left to the two States.

Our question No. 4, as to whether the Franco-Italian Consultative Agreement concerning Austria would lapse with the coming into force of the pact of non-intervention, is answered in the affirmative. Extension of the Agreement to include other parties is described as unnecessary, as the proposed treaty would lead to consultations among all the parties to the treaty.

Should the pact of non-intervention not materialize, the Consultative Agreement between Italy and France would remain in force, and this would mean that these two Powers would be predominant in the Danube region.

Our question No. 5, on the significance of the mention of the League of Nations in the Rome Protocol, is answered to the effect that the Council of the League of Nations must be the body to examine disputed cases, as in other international treaties to which Germany is a party.

To sum up: Our question No. 1, concerning the concept of non-intervention is, to say the least, not sufficiently answered, and the explanation with respect to question No. 2, particularly in the matter of mutual assistance, must give us cause for the gravest doubts.

LORENZ⁵

⁵ This document is marked "First draft"; see also document No. 530.

No. 528

7467/H182059-63

The Ambassador in Great Britain to the Foreign Ministry

Telegram

No. 76 of March 14

LONDON, March 15, 1935—12:26 a.m.

Received March 15—6:30 a.m.

II Abr. 537.

I have had a conversation today with Sir John Simon regarding his forthcoming visit to Berlin.

The Foreign Secretary began by enquiring about the Chancellor's health and expressed the hope that the Chancellor would be able to recover completely in Bavaria. The White Paper¹ was not mentioned by either of us.

When I asked what course the Foreign Secretary thought the Berlin conversations should take, he said that though he was not yet quite ready to give an answer, he warmly welcomed the possibility of an

¹ See document No. 517.

exchange of views beforehand. Now that the Reich Government had confirmed that they were prepared to consider all the points in the Anglo-French communiqué,² the Berlin conversations would probably deal with the familiar four problems: securing peace in the East [of Europe], the Rome proposals, the armaments question and the air pact. (He did not expressly mention Germany's return to the League of Nations, but there is no doubt that this point will be included in the discussions.)

The Foreign Secretary then took up the question of the air pact and said he thought there were still several points, such as, for example, the extent of Italian participation, to be discussed, but he saw no reason why discussions on the air pact should not be taken further, in fact so far as to envisage initialling the text of the pact quite soon, but naturally with the proviso that, in view of the close interconnexion of all points under discussion, the pact would only be concluded *formally* at the same time as the general settlement. He realized that the air pact was doubly welcome to Germany, because, on the one hand, it envisages protection against air attack for Western Germany, so vulnerable in this respect, and on the other hand because it recognizes Germany's right to possess a military air force. He himself knew that now was not the moment to quibble over provisions on paper, and that facts must now be faced. It should, however, not be ignored that the abolition of the limitations previously obtaining in many places, and in this country too, would call forth considerable opposition. It would therefore be very desirable if public opinion were offered something which would render more acceptable the formal emancipation of Germany from discrimination against her in the air. He had in mind, first of all, provisions for limitation of some kind in regard to bombing from the air, so that the principle embodied in the air pact that an air attack by one of the Contracting Parties would be answered with air attack by the other Contracting Parties should not be bluntly expressed in terms implying that bombing was quite a normal method of waging war. (Simon did not explain in detail what kind of limitation he envisaged; one might perhaps, however, consider inserting a general declaration in the pact, condemning air attacks in principle.) Furthermore, Simon went on to say, that he was interested in a remark, which Lord Lothian had said the Chancellor had made to him, to the effect that the Reich Government would be prepared, in connexion with the air pact, to give Britain a declaration about respecting the immunity of the Netherlands.³ He said that we would be aware of the great importance that has been attached here to the Netherlands and Belgium as a protective glacis since the development

² See document No. 479, footnote 1.

³ Lord Lothian was received by Hitler on Jan. 29, 1935. No record of their conversation has been found, but see documents Nos. 445 and 479.

of the air arm.⁴ It would make it much easier for the British Government to adopt an accommodating attitude in the matter of German air armaments if, now that Belgium was already protected by Locarno, they could base themselves on an additional undertaking by Germany to respect Holland. Simon concluded this part of the conversation by saying that he presumed that the Reich Government would make quite extensive demands with regard to the dimensions of their air armaments, and he only hoped that they would not be too extensive. In any case, however, he thought that the problem of the extent of the air armaments should not be discussed in connexion with the air pact, but in connexion with the general armaments problem, so that the proposed air pact as such should not be burdened with this special problem.

Simon then proceeded to deal with the armaments question itself and said that Phipps had gained the impression that the Reich Foreign Minister considered the problem of the limitation of armaments the most difficult, and obviously saw no satisfactory solution to it. On the other hand, he must point out that, at least in Britain, a solution which simply made increases in armaments possible, but which fixed no limits, would hardly be considered acceptable and would cause the Government great difficulty.

On the question of securing peace in the East [of Europe], the Foreign Secretary remarked that German opposition to the Eastern Pact was mainly against *assistance mutuelle*, while non-interference and consultation apparently did not meet with opposition from Germany. The British Government were not bound to any formula and he would therefore be able to ascertain whether perhaps a security system could be set up in the East on the basis of the German views. I recalled the final positive section of our reply of September⁵ but added that our opposition to an Eastern Pact was also directed against the unnatural combination of France and Russia envisaged in the projected Franco-Russian pact.

The Foreign Secretary did not deal with the Rome proposals in detail but went on to make the following general statements. The British Government had, despite Russian pressure, purposely arranged for Eden's visit to Moscow to follow his visit to Berlin,⁶ as they believed that when the Berlin results were known it would be possible to negotiate more successfully with Moscow. He thought the present moment particularly favourable for the achievement of important overall results, since the British Government at present possessed great authority and were, in consequence of their considerable

⁴ The German Military Attaché in Great Britain, Col. Geyr von Schweppenburg, drew attention to the great importance attached in Britain to her "continental glacis" in a report received in the Foreign Ministry on Mar. 16 (5576/E400256-59).

⁵ Document No. 200.

⁶ It was announced in London on Mar. 14 that Mr. Eden would go on to Moscow after visiting Berlin, arriving there on Mar. 28; on his return journey he would also visit Warsaw.

understanding for all points of view, especially Germany's, particularly qualified to mediate in attempts to come to an understanding. He knew that in Paris, too, British influence was at present particularly strong as regards both affairs and personalities.

In Moscow, too, the British view would receive the greatest attention, while Italy at present, in consequence of her action in Abyssinia and other political difficulties, was handicapped so that, at the moment, her voice did not carry so much weight. He would ask us not to approach the Berlin talks with a split between Britain and France in mind, but with the desire to prepare that general solution which alone could achieve final success. He did not intend to issue a statement on his Berlin impressions after his return from Berlin, but rather at once to start exerting influence on France accordingly.

With regard to the substance of the Berlin conversations, the Foreign Secretary said he thought that the discussions, apart from dealing with the air pact, should bear more the character of an investigation of existing possibilities in a frank and sincere exchange of views. He did not therefore aim at drawing up formal texts, but thought that a German return visit to London might be necessary later in order to arrive at final results. He therefore did not regard detailed diplomatic preparation, such as had preceded the Franco-Italian discussions in January, as necessary. He would, however, be very grateful if the Reich Government could instruct me to let him have, sometime at the beginning of next week, the German views on the scope of the conversations.

I gained a favourable impression of Simon's general attitude from the conversation. That he urgently desires to achieve a definite result in Berlin appears to me to be undeniable.

Hoesch

⁷ The dispute between Italy and Ethiopia had been discussed by the Council of the League of Nations in January. Direct negotiations between the two countries followed. Between Feb. 5 and 11 the Italian Government called up reservists, and on Feb. 23 the first reinforcements of regular troops left Italy for East Africa.

No. 529

9375/E664167-70

Memorandum by an Official of Department IV

BERLIN, March 15, 1935.

e.o. W IV Ru. 1010.

THE STATE OF THE GERMAN-RUSSIAN ECONOMIC DISCUSSIONS

1) The agreement on the 200 million [Mark] transaction¹ is practically ready for signature. Nevertheless, signature is still dependent

¹ See document No. 505, footnote 3.

on the general settlement of economic relations and especially on arrangements for the payments by Russia which fall due in 1935.²

2) President Schacht has placed Russian imports under the control of the Supervisory Boards. The Russians are in agreement with this supervision. President Schacht has laid down that German importers of Russian goods may effect their payments only through certain German bank accounts to the credit of the Russian Trade Delegation. These amounts will be blocked and are to be released only in proportion to fresh Russian orders³ with normal delivery dates.

3) Between March 1 and December 31 the Russians must make payments to Germany to the amount of 210 million RM.⁴ They are offering in payment 100 million RM in gold,⁵ but are demanding release of the proceeds from their imports [into Germany] to the amount of 70 million RM while being able to place regular orders only to the value of 50 million RM, apart from the 200 million RM worth of orders under the credit agreement.

The Russians are rejecting a direct linking of newly placed orders with the release of proceeds from imports. They are demanding an undertaking on the part of Germany to release to them 70 million RM by the end of 1935, whereas they themselves would undertake to place regular orders worth 50 million RM.⁶ But they say that it is intolerable that the proceeds from their imports [into Germany] should only be released as they place new orders. They are demanding that the above-mentioned sums be fixed as overall amounts and that they retain a free hand in deciding when to withdraw proceeds from imports and when to place orders. The Reich Ministry of Economics is rejecting this.⁷

Even if the Russians do accept the arrangements made by President Schacht, great difficulties are now going to arise with regard to the purchase of Russian goods. The Russians have stated that they are in no way interested in establishing blocked accounts. They would therefore only export goods to Germany to the value of such proceeds

² Plans for the composition of the payments due in the remainder of the year 1935 had been discussed between Bräutigam and the Russian Counsellor of Embassy, Bessonov, on Feb. 26 and Mar. 8. These conversations were recorded by the former in memoranda of Mar. 2 (9375/E664152-57) and Mar. 9 (9375/E664160-62).

³ Marginal note in Meyer's handwriting: "(a) Regular orders or (b) supplementary orders amounting to 200 M[illion]."

⁴ Bessonov had informed Bräutigam on Feb. 26 (see footnote 2 above) that the outstanding debt [estimated at 250 million RM in document No. 505] had been reduced to 206 million RM by the proceeds from exports to Germany in the first two months of the year. The amount still outstanding when agreement was finally reached was 200 million RM; see document No. 546.

⁵ Marginal note in Meyer's handwriting: "Remainder 110? Or 110-70=40."

⁶ Marginal note in Meyer's handwriting against this sentence: "The regular orders are still to run concurrently."

⁷ Marginal note in Meyer's handwriting against this paragraph:

"210=100 Gold

70 Imports

40 ?

50 regular orders against imports. Correct?"

of imports [into Germany] as they could get released, that is to say, to the amount of 50 or 70 million RM. Imports from Russia last year amounted to 210 million RM. It stands to reason that under the "New Plan" the Russians will keep back those goods which are of primary economic importance to Germany, on the assumption that they will receive payment for these goods in free Reichsmark. German importers may therefore be expected to sustain heavy losses. Germany was unable to buy at the fur auction held recently in Leningrad, since the Russians would not sell for blocked marks.

Difficulties may also be expected with regard to the purchase of Russian naphtha products, manganese ore, bristles and grain.

President Schacht is of the opinion that the withholding of Russian export goods would not harm Germany, since the Russians would be obliged to pay off their old debts in gold and foreign exchange if the proceeds from imports are not released to them. The Russians have stated on this that, if agreement were not reached, they would not send any gold whatever to Germany but would buy up free Reichsmark holdings abroad and realize their assets and holdings here. Even though the free Reichsmark held abroad are regarded as foreign exchange by the Reichsbank, no foreign purchases can, however, be effected with these Reichsmark.

The Russians cannot understand the severe action which President Schacht is taking against them. They have repeatedly emphasized to me that they fully understood President Schacht's need of gold and foreign exchange and also of contracts for German industry. They were meeting these wishes by offering the German Government 250 million RM worth of orders, compared with 35 million RM last year, and 100 million RM in gold; moreover, they would supply the gold regardless of whether further Reichsmark were placed at their disposal for the discharge of the old debts.

In my opinion the German economic interests at stake are too important to allow German-Russian economic relations to be completely paralysed simply in order to uphold a principle.

BRÄUTIGAM

No. 530

7825/E567803-05

Unsigned Memorandum

Drafting Officer:
Counsellor of Legation Lorenz.

BERLIN, March 15, 1935.
e.o. II It. 453 Ang. II.¹

Subject: The pact of non-intervention.

I. The French and Italian Memoranda² certainly, in theory, answer

¹ See document No. 527, and footnote 1 thereto.

² See documents Nos. 518 and 520.

our questions in a conciliatory manner, but in effect only confirm our fears on all vital points.

In judging whether a case is one of inadmissible interference, the point of view of the State directly concerned is to be taken into account as far as possible. In the case of Austria, therefore, only such interference will in future be considered inadmissible as is felt to be undesirable by the régime in power. To what consequences this leads is shown by the *démarche* made by Austria with the Governments invited to join the pact, on the occasion of the publication in Britain of the conversation between the Führer and Chancellor and Major Hennessy.³

Concerning the special agreements, the reply says that they will be given the form of a general facultative clause in the text of the general treaty. As to their purpose, our fear is confirmed that mutual assistance, which we have already rejected for the Eastern Pact, is also to be agreed upon.

The promise that the Franco-Italian Consultative Agreement concerning Austria will lapse after the coming into force of the proposed pact does not alter the fact that the negotiations between the States invited will take place under the shadow of this Agreement.

The explanations given in the Memoranda concerning the rôle of the League of Nations, confirm that the Council of the League of Nations is to be the body to examine disputed cases and will thus have a decisive influence on the application of the treaty.

II. In determining the attitudes of the other States invited, the problems of revision by peaceful means, the protection of minorities and the restoration of the Habsburgs take first place: Austria and Hungary wish the Habsburg question to be considered as a matter of domestic policy.⁴ The States of the Little Entente—especially Yugoslavia, on account of the Croat movement—insist on this question being characterized as an international affair. Hungary emphasizes in the first place that her propaganda for revision by peaceful means and for the protection of the minorities must not be affected, and considers that the possibility of reaching an agreement with the Little Entente on these matters is slight. Hungary has let us know in confidence that she has no personal interest in the treaty and is only participating out of consideration for Italy.⁵ She intends to take the initiative over special agreements with the friendly States of Austria, Poland, Italy and Germany, and is sceptical regarding the prospects of the main treaty.

Yugoslavia is taking part mainly out of consideration for France,

³ See document No. 524.

⁴ See document No. 464.

⁵ Despatch A 46 P 37 of Feb. 27 from Budapest (7825/E567774-75) reported that Kánya had made a statement in this sense to Schnurre that day.

and, she too views the possible adherence of Germany primarily from the point of view of a German-French *détente*.⁶

The request of the Balkan Entente to join the pact presents a special complication. The driving force here is Turkey, who is obviously being pushed in this direction by Russia. As Turkey feels herself threatened by Italy, she hopes in this way to find protection against Italian intentions too.

At the instance of Czechoslovakia and Rumania, the Little Entente has decided only to join the pact of non-intervention when the Eastern Pact has come into being. Poland has no special views of her own and will be guided by Hungary.⁷

III. We shall only be able to make our own decision by taking into consideration the necessities arising from the armaments question.

Our misgivings are less concerned with the obligation of non-intervention than, above all, with our having to legalize in a treaty the activities which other Powers, and the League of Nations, take upon themselves with regard to our relations with Austria. Our doubts concerning the special obligation of mutual assistance are particularly grave.⁸

⁶ In despatch 238 Po 1 of Feb. 8 (7825/E566752-54) Heeren had reported from Belgrade that Purić, an Assistant Foreign Minister, had spoken to him that day in this sense.

⁷ See document No. 429. In report A 17 of Feb. 4 (7825/E567722-23), Moltke stated that the Foreign Minister, Beck, had confirmed this attitude to him.

⁸ This document is marked "Second draft"; see also document No. 527.

No. 531

7467/H182064-65

The Foreign Minister to the Embassy in Great Britain

Telegram

No. 49

BERLIN, March 16, 1935—5 p.m.
zu II F. Abr. 537.¹

With reference to your telegram No. 76 of March 14,¹

1. Limitation of armaments: Simon's concern regarding extensive German demands over air armaments shows that he is still proceeding from the incorrect assumption that while he is here we intend to inform him of the extent of our armaments, as we did Eden a year ago,² and allow the matter to be discussed. This assumption is erroneous. We shall, as we have done before, state that we are prepared for any limitation of armaments applying equally to all. We shall accordingly ask Simon what methods and principles the heavily-armed countries

¹ Document No. 528.

² See vol. II of this Series.

are prepared to apply to the limitation of their own armaments and shall merely examine the relevant proposals in order to ascertain whether their application would result in parity for us. Numerical limitation and the fixing of percentages can only be discussed after dealing with the prior questions as to what limitations of armaments are agreed, and which spheres (personnel, quality and quantity of material, the use of weapons of offence) are to be covered by the limitations. We do not expect that Simon will be able to answer these questions during his visit, so that they will have to be dealt with later by means of diplomatic or other negotiations. I leave it to your discretion to point out at the first opportunity to Simon that his attitude on the armaments problem is mistaken.

2. Eastern Pact. Has Simon actually spoken of *non-interference* and consultation as a possible basis for securing peace in the East?³ So far, as is known, we have only accepted the obligation of non-aggression and consultation in principle. To introduce the concept of non-interference contained in the proposed Danubian Pact into the Eastern problem would appear to be a mistake.

NEURATH

³ Hoesch replied to this enquiry on Mar. 17 in telegram No. 76 (7467/H182090) as follows: "[Point] No. 2: Sir John Simon expressly spoke of '*non-interference*' [in English in the original] and consultation apparently not meeting with (group missing [type-written marginal note: "perhaps 'opposition'"]) from Germany. I was naturally at once struck by the substitution of '*non-interference*' for '*non-aggression*'. But I did not immediately pursue this question in order to let the Foreign Secretary bring his ideas to a conclusion, and I only drew attention later on to our well known positive suggestions. It was obvious that Simon had not yet familiarized himself with the details, so for the moment I do not attach much importance to his reference to the idea of non-interference."

No. 532

7692/E548096-97

The Foreign Minister to the Embassies in Italy, Great Britain, France and Poland

Telegram

To Rome No. 68.

BERLIN, March 16, 1935—7:55 p.m.

To London No. 50.

zu II M 546.¹

To Paris No. 136.

To Warsaw No. 30.

For the Ambassador personally.

The Reich Government have today approved a law² reintroducing universal military service in Germany and fixing the number of

¹ Document No. 538.

² For the text see *Reichsgesetzblatt*, 1935, Pt. I, p. 375, and for an English text see Royal Institute of International Affairs: *Survey of International Affairs 1935* (London, 1936), vol. I, pp. 141-142.

divisions of the new active army at 36. No reference to the navy and the air force is made in the law because, as I mention for your own confidential information only, we are considering making certain proposals concerning the limitation of these two arms.³ The reasons for the publication of the law at this moment are yesterday's decision introducing a two year period of service in France,⁴ [and the fact] that Britain and France have repeatedly and urgently requested us to put an end to the uncertainty regarding German armaments measures for defensive purposes by means of clear statements. The Chancellor this afternoon received in my presence the French, British, Italian and Polish Ambassadors and made statements on the above lines to them.⁵

The French Ambassador, as a precaution, immediately protested against the introduction of universal military service.

[NEURATH]⁶

³ See document No. 555.

⁴ On Mar. 15 the French Chamber of Deputies approved a Government declaration providing for the retention with the colours for an additional six months of the servicemen who would be enlisted in April 1935, and for an additional twelve months of those who would be enlisted from October 1935 to 1939 inclusive.

⁵ See document No. 538.

⁶ Marginal note: "Initialled in draft, please despatch, Ko[tze], [Mar.] 16."

No. 533

6116/E455314-18

Memorandum by an Official of the Economic Department

CONFIDENTIAL

BERLIN, March 16, 1935.

zu II Oe. 783 [sic].¹

RECORD OF A DISCUSSION HELD IN THE FOREIGN MINISTRY ON MARCH 15 ON THE SHAPING OF GERMAN-AUSTRIAN ECONOMIC RELATIONS

Present: Gauleiter Hofer²

Dr. Ullmann³

Ministerialrat Müller and	{	of the Reich and Prussian Ministry
Ministerialrat Walter		of Food and Agriculture

Ministerialrat Pöhlmann	{	of the Reich Ministry of Economics
		and the Prussian Ministry of Economics and Labour

Assessor Krebs	{	of the Reich Office for Foreign
Counsellor Clodius		Exchange Control

¹ This number should read II Oe. 738; it refers to a memorandum by Ritter of Mar. 15 (6116/E455303), recording that he had informed Hofer of the meeting to be held at 3:30 p.m. that day.

² Gauleiter of the Tyrol. See also vol. I of this Series, document No. 481.

³ Not identified.

Further to the conversation between Reich Minister Hess and Ministerialdirektor Ritter,⁴ Herr Hofer said that he had been instructed by the Führer to examine ways and means of organizing German imports from Austria so that they should exclusively, or at least primarily, benefit National Socialist and national circles in Austria.

I adduced a number of examples to show that the Reich authorities concerned had for some considerable time been doing all that could be done in this direction under the circumstances and within the limits set by the Führer's orders. Unfortunately, however, it was extremely difficult to obtain the data and to exercise control in practice. Nor had the various Party offices, notwithstanding repeated requests by us, been able to give us effective assistance in this respect. The Führer's order that the political struggle should not be carried into the economic sphere must, of course, be strictly obeyed in future too.

Herr Hofer agreed with this and went on to explain his new plan, which was that all import applications from Austria should, before any decision was taken, be submitted to a central office, which was yet to be set up, for an investigation of the political views of the Austrian vendor.

Herr Walter stated on this that it had just been decided on principle to restrict imports from Austria to 50 per cent of the amount imported in 1933. The procedure proposed by Herr Hofer could be applied in the case of all permits exceeding this 50 per cent as well as to all barter transactions. A pre-condition was, however, that the examination [of the applications] should only take one day, because, if delays occurred, the activities of the central office, which would of course have to be kept absolutely secret, would become known. It was further established in this connexion that objections should only be raised to transactions where there was, in fact, positive evidence against the vendor. In all other cases the permit would have to be granted immediately in the interests of maintaining normal trade; only if refusals were confined to exceptional cases would it be possible to put the proposed procedure into practice. Herr Hofer agreed to the above conditions.

Herr Pöhlmann reserved a statement of views by the Reich Ministry of Economics and the Prussian Ministry of Economics and Labour, since it was very much more difficult to exercise control in the case of industrial imports. In practice, however, this is not of any great importance as our main object is to influence agricultural imports in our favour. Afterwards the question was also discussed as to how, apart from this negative method, the suppliers with anti-national sympathies could be eliminated and, conversely, how national suppliers could best be included.

⁴ This discussion took place on Mar. 13, 1935, and was recorded by Ritter in a minute dated Mar. 14 (6116/E455299-302).

At the end of the conversation, which went off amicably and with the outcome of which Herr Hofer was quite satisfied, it was agreed that any action of the kind proposed by Herr Hofer would only be taken on the strength of an explicit order by the Führer to the Ministries concerned. Herr Hofer said that he himself would shortly report to Reich Minister Hess in Munich and also, at the same time, to the Führer personally.

CLODIUS

No. 534

7477/H186977-78

The Reich Air Ministry to the Foreign Ministry

Z.A.1 No. 891/35

BERLIN, March 16, 1935.

II Abr. 584.

For the attention of Senior Counsellor Frohwein.

As agreed orally, I am sending you in the enclosure the data which were used as a basis for informing the foreign Attachés.¹

By order:

R. WENNINGER

¹ The British Air Attaché, Group Capt. F. P. Don, was notified accordingly on Mar. 9, 1935; see *Foreign Relations of the United States, 1935* (Washington: Government Printing Office, 1952), vol. II, pp. 294-296. Other Air Attachés were similarly informed. The French Air Attaché, Gen. G. Renondeau, however, was not informed until Mar. 12. A letter of Mar. 19 from Counsellor von Rintelen, of Department II, to Counsellor of Embassy Forster in Paris (M51/M001245-50) stated that the French Air Attaché had not been informed at the same time as the British and Italian Air Attachés because the Reich Air Ministry had thought that he was on a journey to the Baltic States. The first public announcement of the existence of a German Air Force was contained in an interview with Göring published in the *Daily Mail* of Mar. 11.

[Enclosure]

In the course of the next few days and weeks certain changes will become apparent in the outward appearance which German aviation has had so far. Ranks and badges of rank of the members of the Reich Air Ministry and of other aviation enterprises in the Reich who had previously worn the dress of the German Air Sport Federation [*Luftsport-Verband*], with which you have become more or less familiar during the last two years, will assume a military character and resemble those of the Wehrmacht.²

This involves preparatory measures of a special kind, which are readily understandable in view of the developments of the past year. If no specific details can be given to supplement these general pointers

² See also document No. 507.

this is merely on account of certain restrictions of a political nature which still exist at present.

We regard it as important to inform you of these further measures before you ascertain them by observation, and request you to be good enough to maintain for a little longer the patience you have shown hitherto.

You may rest assured that as soon as the political situation allows we shall, both in the general political interest and in the spirit of good comradeship among airmen, take the initiative in making further communications to you at the appropriate time.

No. 535

6695/H102403-09

The Chargé d'Affaires in Rumania to the Foreign Ministry

922—I A 4

BUCHAREST, March 17, 1935.

Received March 23.

IV Ru. 1111.

POLITICAL REPORT

Subject: Titulescu's policy towards Russia. Rumania's *rapprochement* with Russia. Rumania can be neither anti-German nor anti-Russian. She will keep out of the Eastern Pact as long as Germany and Poland take no part in it. Alliance obligations in a *casus belli*. Titulescu warns us against the Poles.

With reference to my telegram No. 32 of March 7.¹

My conversation with Titulescu on his Russian policy, the main substance of which was reported in the above-mentioned telegram, arose from his attempt once again to refute also to me the "legend of his anti-German attitude" as he called it, using arguments similar to those of his last two conversations with senior officials of this Embassy (see report No. 3387 by Count Schulenburg of December 12, 1933,² and No. 4412 by Minister Dehn-Schmidt of November 12, 1934).³

While interposing very politely that nothing was further from our minds than to wish to attribute his policy to any special sympathies, but that having Europe's interest at heart, we were sincerely concerned about Rumania's increasing intimacy with Soviet Russia, I broached the subject with which he himself is at present most preoccupied.

Rumania's general attitude towards Soviet Russia

He first tried to dismiss my anxieties as "Polish innuendoes", in

¹ Not printed (6695/H102324).

² Not printed (9588/E675740-42).

³ Document No. 322.

much the same way as he had tried, during the first part of our conversation, to evade a financial demand on the part of Germany by bringing in *Hungary*; that is to say, he used his familiar trick of pretending that German-Rumanian relations would be nothing but cordial if only the wicked Hungarians and Poles did not come between them. When I made my scepticism plain to him he began to talk in a more serious vein.

He said in the somewhat solemn manner he likes to assume on such occasions that I could convey to my Government as his official and formal view that, being the person responsible for directing the policy of a small and weak State, he could no more afford the luxury of an anti-German policy than he could afford an anti-Russian one. Rumania's policy could never be directed against her two large "neighbouring blocs" but could only aim at protecting the security of the small State lying between the large ones.

Rumania had no territorial disputes with Germany, but she certainly had with Russia. For this reason he was trying by all possible means to eliminate these points of friction. He now had up his sleeve "*his* document" for the recognition of Bessarabia, but in addition he must bring about such close relations with Russia that the Soviet Government would not only have to give up the idea of repudiating this document but also of possibly one day occupying the whole of Rumania, which they had the power to do.

According to the Polish Minister,⁴ whom I had sounded, when an opportunity arose, on some of the points dealt with here, Titulescu was *not* taken to mean by this document his correspondence with Litvinov of June last year,⁵ but a pledge given by Litvinov which was still a closely guarded secret, and which had not yet been seen by anyone. Some people tend to think that it only exists in his imagination; however, he frequently refers to it.

Eastern Pact

Titulescu went on to say that he had at the present time come so close to achieving the aim of his policy towards Russia—namely, a relationship of confidence and understanding and the security of his eastern frontier—that Bismarck, who had had to pursue a similar policy for Prussia, could only have said to him, if he were still alive: "Bravo Titulescu!". He referred to the *Eastern Pact* as an ideal crystallization of the present situation. In reply to my enquiry as to whether by this he meant the Barthou pact or whether he had any "other" Eastern Pact in mind, he confirmed that he meant the *Barthou draft*. Barthou had himself invited Rumania to join, and Russia had

⁴ Miroslaw Arciszewski.

⁵ In connexion with the establishment of diplomatic relations between the States of the Little Entente and the Soviet Union; see *Documents on International Affairs 1934*, pp. 402-404.

later tacitly approved of this invitation, although this had not been known to the outside world.

The Polish Minister here, who had been given the same version, told me that the account of Barthou's invitation was quite true but that Russia had—at any rate, up to a short time ago—refused to give her consent precisely because she feared that by making a promise of mutual assistance, taken in conjunction with the London definition of “an aggressor”,⁶ she would in a way be expressing tacit recognition of Bessarabia. Whether there had been any change of late he was unable to tell me.

Titulescu went on to say that immediately on receiving Barthou's invitation he had announced Rumania's accession to the Eastern Pact. Since Germany and Poland had declared, however, that they would not participate, he had also withdrawn,⁷ for Rumania would never join without Germany and Poland; that too, he said, was an official statement which I could pass on to my Government.

The version which the Polish Minister gave me later was exactly the opposite. Rumania was itching to sign a pact with Russia; it was Poland, however, who was as yet not interested in the Eastern Pact, because amongst other things the border States on Russia's western frontier—including Rumania—had so far not all announced their accession nor declared their readiness to carry out their duties as frontier guards.

Alliance obligations of the Little Entente towards France

If Germany and Poland stayed out of the Eastern Pact, Titulescu continued, France, Russia and Czechoslovakia would conclude a pact amongst themselves. Czechoslovakia hoped that under it her alliance obligations would be made easier, for the Czechs were the only people who, in the case of a war between Germany and France, would automatically have to march against Germany. Their expectation from the Eastern Pact, therefore, was the prospect of no longer having to stand alone against Germany in such an event, but of being able to rely on Russia's support. This part of his exposé sounded very pertinent and credible.

Rumania's only obligation in the case of a war between Germany and France would be to observe benevolent neutrality (towards France) and to keep a watch on Hungary. Should Hungary be so imprudent as to intervene, Rumania would have to march against her. Since, however, thanks to the Little Entente, the help of seven million Hungarians thrown in on the one hand did not counter-balance the addition of more than thirty million on the other, this danger did not seem great to him.

⁶ The reference is to the Convention signed in London on July 3, 1933; see document No. 11, footnote 4.

⁷ Nothing on this question has been found except the telegram cited in footnote 1 above.

Unfortunately, it had to be admitted that a new danger had now arisen, namely, that *Poland* would take sides with Hungary. That was particularly awkward for him because, while he could mobilize his country against Hungary, he could not do so against his old allies.

Rumanian-Polish relations

Certainly Rumanian-Polish relations were no longer what they used to be. He frankly admitted this, for he wanted to warn us against these new friends of ours. He knew the Poles and held them in esteem but they were arrogant and ruthless. They had never given proper consideration to their Rumanian allies or consulted them; on the contrary, they had always tried to go over their heads. In this way they had signed a non-aggression pact with Russia in 1932⁸ without consulting Rumania, and had taken action in the case of the Eastern Pact without notifying Rumania. (And in the same way—he might have added—the Polish Minister here had shown such a lack of respect for the Rumanian State and its institutions that the Rumanian Government had already frequently demanded his recall, but even here the Poles disregarded Rumanian feelings.)

In reply to his question whether we would not, after all, join the Eastern Pact, I drew his attention to the obligation of active “mutual assistance” which would be simply intolerable for us in regard to Bolshevism. He agreed with us, and maintained that he also would prefer “optional assistance” [*“assistance facultative”*], but the Soviets insisted on obligatory assistance. He gave no reason for this, but it seemed to me that the Russians knew perfectly well that no one would assist them “voluntarily”.

Finally, in case the Eastern Pact should not materialize, he mentioned a plan to conclude a pact between *Rumania*, *Turkey* and *Russia* for which he also hoped to win over *Poland*, that is to say, a kind of Black Sea Pact. I could not make out whether he was alluding here to serious plans, or whether he was merely expressing an idea that had just occurred to him. As, however, in either case, the attitude of Germany and Poland must seem incomparably more important to him than that of Turkey, this project could at the most only be one way out of a dilemma.

I have recapitulated this conversation in some detail, since it is difficult to distinguish between fiction and truth in the verbose language of this great conjurer in politics, especially when hearing him for the first time. The object of his talk in the first place was probably to divert our attention from his real policy towards Russia; for even though it may be correct that Rumania, for whatever reason, will not join the Eastern Pact herself, there is no doubt that Titulescu is doing all he can to enlist sympathy for this pact, and that in his heart he

⁸ On July 25, 1932; see document No. 226, footnotes 3 and 4.

regards Russia at present as the best guarantee for his anti-revisionist policy. And it can hardly be denied that he takes no important step without at least discussing it beforehand with the Soviet Minister here.⁹

At the same time it may really have been his intention—taking into account the rapidly growing power of the new Germany—to strengthen the ties with Berlin again and thus, in the antagonism existing between Berlin and Moscow, keep both his irons in the fire.

V. POCHHAMMER

⁹ M. S. Ostrovski.

No. 536

7692/E548110-11

The Ambassador in Poland to the Foreign Ministry

Telegram

No. 10 of March 17

WARSAW, March 18, 1935—2:22 a.m.

Received March 18—5:25 a.m.

II M 558.

The introduction of universal military service,¹ which caused a very great sensation amongst the general public, does not seem to have come as a particular surprise to the political and military departments of the Government and is being considered, as is also apparent from Count Szembek's² remarks, calmly and without nervousness. The German step is viewed as a natural development. There is understanding here for strong action aimed at the removal of discriminating provisions, even if only because Poland adopted a similar course in the question of the protection of minorities.³ The Minister President⁴ told me that every other country would have done likewise; he had also expounded this in detail to the French Ambassador,⁵ without, however, meeting with much sympathy.

As I hear from a trustworthy source, the assessment of the German action is being influenced by the hope that Germany will not now pay for her rearmament with concessions in the Eastern Pact question, as was previously feared here. Admittedly others are stressing the anxiety about a new armaments race which has been apparent here since the Göring interview about the air force,⁶ and are demanding that Poland revise her attitude, which, as is known, has so far been to oppose far-reaching limitations of armaments.

¹ See documents Nos. 532 and 538.

² Polish Under Secretary of State for Foreign Affairs.

³ See documents Nos. 197, 210 and 325.

⁴ Dr. L. Kozłowski.

⁵ Jules Laroche.

⁶ Presumably a reference to the interview granted by Göring on Mar. 10 to a representative of the *Daily Mail*; see document No. 534, footnote 2.

Further clarification of the Polish view on Germany's action cannot be expected before the return of Foreign Minister Beck, who is at present on a short holiday.

MOLTKE

No. 537

7692/E548131

The Foreign Minister to the Embassies in Italy, Great Britain, France and Poland

Telegram

URGENT

BERLIN, March 18, 1935—9:30 p.m.
e.o. II M.562.

- (1) To Rome No. 69
- (2) To London No. 51
- (3) To Paris No. 137
- (4) To Warsaw No. 31

With reference to our telegram¹

- to (1) No. 68
- to (2) No. 50
- to (3) No. 136
- to (4) No. 30

For your personal information.

The publication of the defence law does not mean that we refuse to negotiate on the armaments question and the political problems connected with it. It only means that in future we shall negotiate on an equal footing with other Powers, of whom many have laid down by law for themselves what the organization and strength of their armies are to be. The law only applies to Part V² of the Treaty of Versailles, which is no longer binding on us because of the others' failure to fulfil their disarmament obligations. It does not affect Part III³ of the Treaty of Versailles and the demilitarized zone of the Rhineland.

NEURATH⁴

¹ Document No. 532. Other Missions in Europe, and the Embassies in the United States, Japan and Turkey, were given information similar to that contained in document No. 532 and the document here printed in a circular telegram of Mar. 18 (7692/E548132-34). The reference to the French Ambassador's protest was omitted, and the Soviet Union's armaments increases were given as an additional reason for the promulgation of the law of Mar. 16.

² The Military, Naval and Air clauses of the Treaty of Versailles.

³ The political clauses for Europe.

⁴ This document is not signed or initialled by Neurath, but was sent over his name, and it is marked "Approved by the RM, please despatch. Ko[tze], Mar. 18."

No. 538

3154/671166

Memorandum by the Foreign Minister

BERLIN, March 18, 1935.

RM 243.

[II M 546].¹

On Saturday afternoon² the Reich Chancellor received in my presence the French, British, Italian and Polish Ambassadors successively, in order personally to inform these gentlemen of the decision, taken on the same day at the Cabinet meeting, to reintroduce universal military service.

As was to be expected, this news took all the Ambassadors completely by surprise. The French Ambassador felt it incumbent on himself immediately to protest against the Reich Government's decision, which implied a unilateral denunciation of an important part of the Treaty of Versailles. The British Ambassador enquired whether, after this step on the part of the Reich Government, we were prepared to continue discussions on the points raised in the Anglo-French communiqué of February 3.³ The reply was in the affirmative. The Italian Ambassador refrained from making any comments, as did the Polish Ambassador.

The conversations with the Ambassadors separately lasted about a quarter of an hour each. Both the French and the British Ambassador pointed out that the Reich Government's decision naturally meant that the political situation would become considerably more difficult.

V. N[EURATH]

¹ Taken from another copy (7692/E548095).

² i.e., Mar. 16.

³ See document No. 479 and footnote 1 thereto.

No. 539

3154/671156-57

Memorandum by the Foreign Minister

BERLIN, March 18, 1935.

RM 247.

The British Ambassador called on me today and gave me the enclosed Note,¹ which states the British Government's attitude to the

¹ Not printed (7692/E548144-46). This Note was published on Mar. 18 as a British White Paper, Cmd. 4848 of 1935.

law for the expansion of the Wehrmacht.² I rejected the protest, contained in the first paragraph of the Note, against the unilateral introduction of universal military service and the formation of a military air force, and pointed out that at any rate since the Interallied Control Commission had established that the provisions of the Treaty of Versailles relating to disarmament had been carried out in Germany and the other Signatories of the Treaty had been in default on their obligations to disarm and that the Treaty had thus been broken.

I replied in the affirmative to the question contained in the last paragraph of the Note as to whether we were still prepared to discuss the questions set out in the Franco-British communiqué of February 3,³ except that I said we must exclude any proposed discussion of the question as to whether we had been entitled to introduce general military service in our country. The British Ambassador then said he assumed that, in these circumstances, the visit of the British Ministers, which had already been arranged, would take place on the 24th and following days.⁴

According to the Ambassador, the Note presented by him, is to be published in London this evening.

V. N[EURATH]

² See document No. 532, footnote 2.

³ See document No. 479, footnote 1.

⁴ See document No. 526.

No. 540

9945/E696061

The Chief of the Wehrmachtamt to the Chiefs of the Army and Naval Commands and the Air Ministry

No. 95 g/35 g.K. L Ia

BERLIN, March 18, 1935.

TOP SECRET

A I Op. 34/35 g.K

Subject: Directives for the initial conduct of hostilities.

Reference: Reichswehr Ministry No. 7/33 g.K. of October 25, 1933.²

It is intended to revise the above-mentioned order² issued at that time as "Directive for the Wehrmacht in the event of sanctions" and to reissue it as "Directive for the initial conduct of hostilities."

¹ The date of receipt is not recorded; the document was first initialled on Mar. 20.

² For the German text of this document see *Trial of the Major War Criminals*, vol. XXXIV, document 140-C, Exhibit USA-51, pp. 487-491. Memoranda dated Oct. 4 and 9, 1934, and entitled respectively "Measures in the event of French sanctions" (9945/E696014-20) and "Measures in the event of war with France" (9945/E696022-28) had been prepared in the Naval Command for submission to Raeder. A directive by the Führer and Chancellor signed by Hitler, Blomberg and Raeder and entitled "Directive for the commanding officers of ships and vessels of the German Navy abroad in the event of a war" had been issued on Oct. 13, 1934 (9945/E695989-91).

The branches of the Wehrmacht are requested to submit any wishes in this connexion by April 10.

Information should likewise be submitted as to when branches of the Wehrmacht should receive new directives, in order that they may be employed for the new mobilization year 1936-1937.³

V. REICHENAU

³ The reply from the Naval Command, A I Op. 33/1935 gKdos, dated Apr. 6 (9945/E696062-65) requested that the new directive should be made available by Oct. 1. Neither the resultant Directive nor the Directive (WA 36/36 Chef-Sache L Ia of June 26, 1936) which evidently succeeded it, cf. *Trial of the Major War Criminals*, vol. xxxiv, document 175-C, Exhibit USA-69, p. 733, have been found.

No. 541

2067/449054

The Embassy in Great Britain to the Foreign Ministry

Telegram

No. 80 of March 19

LONDON, March 19, 1935—5:46 p.m.

Received March 19—8:40 p.m.

II M.594.

Also for the Reichswehr Minister, Naval Command.

1. The German wishes regarding 35 per cent¹ for the Navy have been published in the press here, in many cases with figures said to be from a French source.

2. The Naval Attaché² had a conversation today with Commander Schwert of the Intelligence Division of the Admiralty, who said he hoped that the German wishes regarding the Navy would in no circumstances be made public before Simon's visit;³ this would make things particularly difficult.

3. He hoped, however, that these wishes would be discussed with Simon. The Naval Attaché thought he could say that this would be done, and said he hoped Simon would be sufficiently well informed to be able to give a definite answer.

4. The Naval Attaché said, in reply to a question, that the Naval Command would be prepared to inform the British of their definite intentions immediately, if the latter would at last make a declaration of September 7 [*sic*]⁴ our desideratum of 35 per cent.

¹ See documents Nos. 298, 358 and 463.

² Capt. Erwin Wassner.

³ See document No. 526.

⁴ The date "September 7" appears to be an error in transmission. The London draft of this telegram has not been found, but the confirmatory copy sent to the Reichswehr Ministry by Wassner in despatch No. 197 of Mar. 20 (2067/449055-58) here reads: "... if the latter would at last make a statement about our desideratum of 35 per cent".

5. It would therefore appear desirable to inform Simon of the Navy's intentions in detail, should his answer be in the sense of paragraph 3.⁵

NAVAL ATTACHÉ
HOESCH

⁵ Marginal note: "1. Minute: I have confirmed by telephone that the Naval Command agrees that direct negotiations between the Navy and the British Admiralty are clearly impossible while naval armament questions are being handled on a political basis by the Führer and the Foreign Minister. 2. To III E for information. 3. To be filed. F[rohwein], Mar. 22."

No. 542

7692/E548234-38

The Ambassador in Great Britain to the Foreign Ministry

Airgram

URGENT

No. 81 of March 19

LONDON, March 19, 1935.

Received March 20—3:30 p.m.

II M 616.

Now that the Reich Government's bold and clear-sighted policy has achieved *de facto* equality of rights for Germany in the sphere of armaments on land,¹ it will be the task of German statesmanship so to complete this great achievement as to make of it a true blessing for Germany. The prospects for this seem to me, in certain circumstances, to be reasonably good, although there are a considerable number of dangerous factors. The key to a satisfactory solution is held by Britain. As regards the other important Powers, they appear to observers here, too, to be united in their growing hostility towards us. I hear from a reliable source that, in Italian Embassy circles here, Germany is always openly described as the country which Italy must regard as her true opponent. In this connexion the Counsellor of Embassy, referring to Italo-French relations, is said already to have used the term "alliance". We do know that Italo-French understanding has so far, in practice, been based purely on a common opposition to Germany *over the Austrian question*. The fact that Mussolini, disregarding the serious resentment felt in Hungary, has now made so definite an offer of an understanding in Belgrade,² thus taking an important step towards reducing points of friction between

¹ See document No. 532.

² This refers to the proposals for a *rapprochement* made by the newly appointed Italian Minister in Belgrade, Guido Viola Conte di Campalto, when presenting his letter of credence to the Prince Regent on Mar. 15. This step was the subject of despatches I 164 (6038/E445348-51) and 538 (6038/E445356-60) of Mar. 16 from Rome and Belgrade respectively. Enclosed with the latter were the texts of the addresses, the exchange of which was contrary to the normal Belgrade ceremonial.

Italy and France, gives one cause for reflection. As I learn from the Italian Embassy great efforts towards a reconciliation with Yugoslavia, and thus a further *rapprochement* with France, are indeed to be made. That General Staff circles here too consider Italo-French cooperation to be a fact is clear, if from nothing else, from the fact that when our Military Attaché,³ in explaining our defence requirements at the War Office a few days ago, took it for granted that there was military cooperation between Italy and France, he was in no way contradicted. Even more obvious are Russia's anti-German activities. Her efforts to conceal her true nature and to ingratiate herself everywhere, while at the same time working against Germany, are everywhere noticeable, not least here. The success Russia has achieved on all sides is astonishing.

France still remains, despite a few signs of sympathy in certain circles, the centre of hostility towards Germany and may, to judge from past experience, be expected to become the more unapproachable the more she feels herself supported against Germany by other Powers.

America, in her well-known ignorance of European affairs, has completely misunderstood the news of the introduction of universal military service, and has given it a very unfavourable reception.⁴ She is trying to ascertain Britain's views in order to bring her own attitude into line.

The political and especially the military reinvigoration of Germany have thus led in a few months to developments which a year ago no one would have thought possible. As recently as last summer the consensus of expert opinion was that a real *rapprochement* between Italy and France, or even one between Italy and Yugoslavia, was out of the question, and the idea that the relationship between France and Russia already partakes of the nature of an alliance, seems like a dream, when one remembers with what arrogance and with what aversion France, so pre-eminently bourgeois, has until lately treated bolshevist Russia. That, to crown all, a British Conservative Minister would visit Moscow,⁵ could not have been foreseen by any one who, for example, remembered the angry words which the British Government addressed to Russia about eighteen months ago in connexion with the Moscow trial of the British engineers.⁶

The foundations for an encirclement of Germany have thus already been laid, and only Britain's attitude will decide whether it will come to encirclement or not.

³ Col. Geyr von Schweppenburg.

⁴ See document No. 545.

⁵ This refers to the proposed visit by Mr. Eden; see document No. 528, footnote 6.

⁶ Six British engineers employed in Russia by the Metropolitan-Vickers Electrical Co. Ltd. were tried by a Soviet Court on charges of espionage, sabotage and bribery Apr. 12-19, 1933.

Should it come to encirclement, which would indeed be more complete than ever before, it would, of course, not mean that immediate violent action would be likely. Further developments are, however, not hard to foresee. An encircled Germany would, while protesting against this encirclement, constantly increase her defensive forces, and this would cause a parallel increase in the armaments of the encircling States, which would be unanimously blamed on Germany. Constant remonstrances by either side about the armaments race would then, as happened before the war, gradually create such tension that ultimately any one of a number of disputes could cause a catastrophe. It would be illusory to believe that Germany, once she had regained her strength, could win over new allies from her opponents' camp. Even the powerful Germany of before the war failed in attempts of this kind. The bonds forged by political and military cooperation between the Governments and General Staffs against an alleged common opponent tighten so quickly that it is difficult to loosen them again. Moreover, they are always being strengthened by the perpetual armaments dispute.

From this overall picture the supreme importance of Britain's attitude, and, consequently, the decisive, perhaps even historic significance of the coming visit by the Minister, become clear to us. Britain does not desire developments of the above-mentioned kind. She will do anything to avoid them and, instead, is striving to include Germany in amicable fashion orally [*sic*]⁷ in a system of European cooperation. On the other hand she need only make official contact with Moscow in order to complete the encirclement of Germany, an encirclement in which Poland could scarcely avoid taking part. *Without* Britain, on the other hand, there can be no encirclement.

The impression which the British Minister gains in Berlin will be highly important, perhaps even decisive, for further decisions by the British Government. If there appears to be any hope at all of successfully continuing the efforts to come to an agreement, then Britain will do this with the full weight of her present importance as a World Power. If the Minister believes that it would be useless to make any further efforts, then one might have to fear a change of course which might finally end in the encirclement and isolation of Germany as described above.

The attitude of the British Government to the announcement of the introduction of universal military service emerges from their desire to be clear about the possibilities of reaching an understanding with Berlin so as to be able to determine future British policy. They have, therefore, in taking their decisions, not allowed themselves to be

⁷ This word is marked as having been garbled in transmission; the London draft has not been found. On another copy (M121/M004624-28), it has been amended to read "as hitherto".

influenced either by Paris or by Rome (who, as it seems, were proposing to take joint action in protest, or even to call in the League of Nations) but have replied to Germany independently⁸ and have thus left open the possibility of the Berlin visit, which is now more than ever being represented as a reconnoitring expedition by Britain.

In considering the prospects of the Berlin discussion, the first difficulty is that arising from the mistaken belief, which still appears to be current here, that there is anything left to discuss about our land armaments. Nevertheless, I consider that there are possibilities of reaching an understanding, provided we agree in principle to the aim of a *general and uniform* limitation of, or decrease in, armaments, that we, in principle, adopt a positive attitude towards the well-known programme of negotiations, and that we make a practical approach once again to the idea of organized international cooperation. That Britain's desire for our return to the League of Nations will play an important part here, is an undoubted fact. Eden's speech yesterday,⁹ in which he again laid particular emphasis on Britain's loyalty to the League of Nations, was a clear indication of this.

In the actual sphere of armaments there will now have to be absolute frankness and sincerity in place of the secrecy previously forced upon us and necessary to us.

In the political sphere it appears that, apart from our natural rejection of the most impudent demands in the proposed Eastern Pact, it will be necessary for us to agree to cooperate constructively over the plans to secure peace.

In following the lines indicated we hold certain trump cards, the best of which is Britain's aversion to a breach with Germany and to returning to pure power and alliance politics. If Britain believes that further efforts for understanding are hopeless, thus depriving us of this advantage, then we will be threatened by a siege out of all comparison with the encirclement of Germany before the war.

Hoesch

⁸ See document No. 539.

⁹ To a meeting of his constituents at Stratford-on-Avon; see *The Times* of Mar. 19, 1935.

No. 543

9696/E682810-15

The Chargé d'Affaires in Rumania to the Foreign Ministry

915 I c 4

BUCHAREST, March 19, 1935.

Received March 23.

II Balk. 741 R.

With reference to my report No. 853 of March 17.¹

Subject: Conversation with the Rumanian Minister of Commerce.

M. Manolescu-Strunga asked me, during the conversation which I had with him on March 17, to communicate the substance of my instructions to him in writing in the form of a Note.

I venture to submit the document in question, which I enclose.

POCHHAMMER

¹ Not printed (9696/E682801-05).

[Enclosure]

BUCHAREST, March 18, 1935.

YOUR EXCELLENCY: I have immediately brought to the knowledge of my Government the substance of the detailed conversation which Your Excellency was good enough to conduct with me on Saturday March 9,² and I now have the honour, on instructions, to make the following reply:

My Government are unable to accept your view that Germany has shown herself *unconciliatory* during the negotiations in Berlin on an economic agreement between our two countries.³ On the contrary

² Reported in telegram No. 34 of Mar. 9 (9696/E682781).

³ A memorandum by Clodius, dated Feb. 4 (9696/E682769-70), states that the Rumanian Minister of Commerce, Manolescu-Strunga, on his way through Berlin to London, had had discussions with Schacht and the German delegation for the purpose of negotiating a commercial agreement with Rumania, and that he and Schacht had agreed on the following procedure:

"The negotiations to be conducted in the following three stages:

(1) The *commercial treaty and agreement on goods* to be so prepared that they can be signed in about a week's time, if possible when Minister Manolescu passes through Berlin on his return from London. They should be based on the new and completely different import and export procedure decided upon a couple of days ago in Rumania whereby in principle 80 per cent of the value of exports is to be applied to provide for fresh imports and 20 per cent for payment of old debts.

(2) The negotiations over the clearing agreement are to be conducted in Buchares in the latter half of February. The bringing into force of the agreements under (1) above will be dependent on the conclusion of the clearing agreement.

(3) The agreements about supplies of petroleum from Rumania and about long term German supplies to the Rumanian petroleum industry, State railways, agricultural cooperatives and to the State, since they will presumably take longer to complete, are to be dealt with separately. Germany will only pay in foreign exchange for petroleum. Clodius further recorded that: "Herr Schacht made any payments in foreign exchange

my Government have in fact declared themselves prepared not only to increase the volume of trade on either side between our two countries, but also to increase Rumania's exports to Germany from about 60 million RM in the spring, to at least 80 million RM, whilst on the other hand only increasing German exports to Rumania from their present level of about 50 million to about 60 million RM, so that the remaining surplus in favour of Rumania, which according to current trading stands at about 10 million RM, would be increased to double that amount in Rumania's favour. The fact that Germany, who at present provides the greatest market for Rumania's products, is in principle prepared in future to increase this market to a very considerable extent, is in itself a proof of the friendly understanding which the German Government are showing for Rumania's present economic position and of the fact that they are prepared *a priori* for agreements of a kind which are in principle contrary to Germany's economic policy, conditioned as it is by her own needs.

The present draft treaty also envisages Rumania receiving acceptance and price guarantees for important categories of goods. If the minimum prices offered by Germany appear low to the Rumanian Government, this is not due to lack of goodwill on the part of Germany, but to the fact that the general price level is at present so depressed. In the question most recently under discussion, namely prices for the allotted quota of cattle, my Government have indeed fully met Rumanian wishes—even at the sacrifice of their own interests—which they have only been able to do by making quite exceptional concessions. As Reichsbank President Dr. Schacht has already assured Your Excellency, German interest in the conclusion of a bilateral agreement on petroleum, comprising both supplies of petroleum and German investment in the Rumanian petroleum industry, remains unchanged, although the German Government are not at the moment able to offer quotas of foreign exchange such as would be deemed satisfactory by your Government. After the conclusion of the main treaty, Germany will remain ready at any time to take up such negotiations, just as the conclusion of a new clearing agreement is also envisaged.

Although with agreement over the cattle prices the last substantial

conditional on Germany and Rumania reaching agreement beforehand on the amounts and methods of payment of interest on Rumanian State loans due to German bondholders. Furthermore, President Schacht made any long-term supply contracts conditional on a satisfactory settlement of the question of payment of the old debts for deliveries of material, which amount to about 30 million RM, and it is intended to make even the signature of the new treaty itself (see (1) above) dependent on the Rumanian Government's declaring themselves prepared to submit to arbitration." The deliveries of material mentioned above had been made on the reparations account, mainly to the Rumanian railways. When the Hoover moratorium came into effect on June 30, 1931, substantial advance deliveries had been made. After this date the deliveries could no longer be credited to the reparations account and the Rumanian Government had declined to make payments in cash. Details of the negotiations on this subject have been filmed on Serial K 501.

Rumanian claim has been settled in a sense favourable to Rumania, my Government are still awaiting a reply from the Rumanian Government over questions which concern *substantial* German claims. Apart from questions concerning transport and communications, which appear to have been partially settled yesterday, the main question is that of settling the old, long overdue, contracts for deliveries of material,⁴ that is to say, the still outstanding claims of certain German private firms against the Rumanian railway administration, or, alternatively, the Rumanian State, claims which involve sums high enough decisively to affect the balance of payments between the two countries, and thus, as long as they remain unclarified and undecided, make it impossible to conclude any economic agreement constructed on a basis of reliable calculations. In view of the fact that Germany possesses in Rumania frozen credits amounting to many millions in gold marks as well as other, not at present realizable, assets; that the Rumanian customs warehouses hold in bond German goods to approximately the value of 200 to 300 million Lei, which, owing to the restrictions on imports, cannot so far be disposed of; that certain large German firms still have claims amounting to millions against the Rumanian State, the settlement of which has been dragging on for years, and, finally, that German holders of Rumanian pre-war loans alone amongst all nations have received no interest since the autumn of 1933, and this without the Rumanian Government having shown any inclination to remove so abnormal a situation through friendly negotiations, the German Government consider that they have already shown themselves extremely conciliatory in that Reichsbank President Schacht in his first conversation with Your Excellency promised to omit from the negotiations on the new economic agreement German claims against Rumania arising from [Rumanian] Government measures. Equally it constitutes a further, and for Germany almost intolerable, sacrifice for the German Government to refrain from bringing up for simultaneous settlement during the current negotiations the endeavours German firms have been making for years to obtain an acceptable settlement of the contracts for deliveries of material.

But, instead, the German Government are prepared to content themselves with merely a general promise from the Rumanian Government that they—without prejudice to their rights in principle and to the attitude they have adopted in other international negotiations—will recognize the obligations of the Rumanian State Railways as they may be established by possible arbitration, as previously agreed by treaty, just as much as they recognize any other obligation established legally in similar fashion.

I am very happy to take note of the fact that Your Excellency is

⁴ See footnote 3 above.

prepared today to send a plenipotentiary to Berlin who will be informed of all outstanding questions and be empowered finally to conclude the treaty and to sign it. On behalf of my Government I would point out once more that they are only prepared to make the concessions they are at present offering on condition that the treaty really is concluded and furthermore that they are equally activated by the firm conviction that it will be possible to reach agreement.

I avail etc.,

POCHHAMMER

No. 544

9785/E687221-24

President of the Reichsbank Schacht to Chancellor Hitler

BERLIN, March 19, 1935.

Rk. 2343.

MY DEAR REICH CHANCELLOR: General von Epp¹ has asked me for a statement of my views on colonial policy, a copy of which I venture to enclose herewith.

Yours etc.,

DR. HJALMAR SCHACHT

¹ General Franz Xaver, Ritter von Epp, Reichsstatthalter of Bavaria, Head of the Colonial Policy Office [*Kolonialpolitisches Amt*] of the NSDAP, Gruppenführer of the SA, and an NSDAP member of the Reichstag since 1928.

[Enclosure]

BERLIN, March 19, 1935.

MY DEAR GENERAL VON EPP: Your kind letter of March 17² gave me great pleasure. I am well aware that the most diverse opinions are held within the National Socialist Party on the colonial question.

The idea of the eastern area [*Ostraum*] which is to be acquired, is unfortunately causing a great deal of trouble. Notwithstanding the need for an adjustment of our eastern frontiers, which I too have emphasized time and again, it should be clearly understood once and for all that Poland is a country not so very much less densely populated than Germany and that an advance into the Baltic States would render infinitely more difficult the defence of an arm stretched out thus far eastward. The deciding factor is, however, that along the whole of the eastern frontier room could only be made for German settlers by wholly depopulating the territory concerned, which no reasonable person would still consider feasible today, however decisive our victory might be.

All densely populated countries which have so far played a part in

² Not found.

history have embarked upon a colonial policy. I need only mention Britain, France, Italy and Japan. The smaller countries, which were not powerful enough to pursue a colonial policy, had to pass on their surplus populations to foreign nations as cultural fertilizers; for instance Switzerland, Scandinavia etc. Nor was Germany spared such a fate. It was Germany's misfortune that, as a political power, she never succeeded in making her way overseas but always remained entangled in European quarrels. It is this purely continental policy which is, ultimately, the reason why Germany is always regarded by her neighbours as the great threat to peace.

If, therefore, for these general political reasons, a colonial policy is absolutely necessary for us, then this becomes even more imperative because of our economic situation. The present state of affairs is such that our demand for colonies can be put forward most easily and acceptably from the economic point of view, since an industrial country, which, after all, is what Germany is, cannot exist without colonial raw materials. But, for political reasons, we cannot give up our industrial development. Those who hold the romantic idea of turning Germany into an agricultural country again overlook the fact that a highly developed industry is essential for present-day defence. It is for this reason that the insufficiently industrialized countries of South Eastern Europe, as a whole, cannot pursue a policy of their own but must become the vassals of other Powers. This is a further reason why Soviet Russia recognizes only one duty, namely that of industrializing herself in such a way as to be able to defend herself with modern weapons. A nation of peasants is defenceless against aeroplanes and tanks.

Finally, Germany's *moral* self-respect leads her to insist on resuming the colonial policy which she initiated under Bismarck. Hitler's policy has restored the German people's self-respect and, *vis-à-vis* the other Great Powers, has achieved the full equality of rights which it demanded. It is quite unthinkable that Germany should ever rejoin the League of Nations without regaining from this same League of Nations her possessions, that is to say, the colonies. How could we sit down as equals in a company which declares us to be incapable and unworthy of administering our possessions ourselves. Our political demands on rejoining the League of Nations cannot possibly be other than for the colonial mandates to be handed over to us. Whether we afterwards enter into some kind of barter transaction with our colonies is our affair.

I need not tell you, therefore, my dear General von Epp, how much I approve of and support your ideas regarding colonial policy. It is self-understood that every one of us must, in his public defence of our colonial policy, keep within the bounds laid down by our Führer, and that it must be left to him to determine when and how our colonial

political interests are to be pursued; but there ought really no longer to be any divergencies of opinion within the Party.

I have sent a copy of this letter to the Führer and Chancellor.³

Yours etc.,

DR. HJALMAR SCHACHT

³ In a letter of Mar. 28 (9785/E687258) Lammers informed Schacht that his letter of Mar. 19 to Epp had that day been submitted to the Führer.

No. 545

7692/E548254-55

The Ambassador in the United States to the Foreign Ministry

Telegram

No. 60 of March 20

WASHINGTON, March 20, 1935—9:47 p.m.

Received March 21—8:40 a.m.

II M 629.

With reference to my telegram No. 59.¹

According to the latest confidential information, the Government have now decided to take no steps whatsoever at this time but to await the outcome of the Berlin conversations and the consequent attitude of Great Britain, with whom contact has in the meantime been made through the [American] *Chargé d'Affaires* in London. That the question still remains open is shown by the fact that the State Department, which, in opposition to the White House and Congress, is advocating the despatch of a Note of protest,² in order to prove that the Note has already been drafted.³ [*sic: Dass aber Frage weiterhin offen bleibt, ergibt sich daraus, dass im State Department, welches im Gegensatz zum Weissen Haus und Parlament für Absendung Protestnote sich einsetzt, um dadurch aktenkundig zu machen, dass Note bereits ausgearbeitet ist.*] Its tenor is apparently as follows:

“[The] Government cannot help expressing regret at this voidance of the Berlin peace treaty⁴ by Germany.”⁵ For the President's attitude I refer you to today's DNB despatch.⁶

¹ Not printed. This telegram of Mar. 19 (7692/E548220-21) quoted an article in the *New York Times* of that date on comments by Senator Key Pittman, Chairman of the Senate Committee on Foreign Relations, on the effect of Hitler's determination to increase the size of the German army.

² No record of any Note of this kind being presented in Berlin has been found.

³ This sentence appears to have been garbled in transmission; it should presumably read: “That the question is still open is shown by the fact that a Note has already been drafted in the State Department, which, in opposition to the White House and Congress, is advocating the despatch of a Note in order to put the protest on record.” (The Washington draft of this telegram has not been found.)

⁴ Treaty between the United States of America and Germany, signed at Berlin, Aug. 25, 1921; for the text see *Foreign Relations of the United States, 1921* (Washington, 1936), vol. II, pp. 29-32.

⁵ This sentence is in English in the original.

⁶ Not found. This despatch presumably reported a Presidential press conference of Mar. 20; see the *New York Times* of Mar. 21.

The report in today's press that Government circles here are piqued because they were not, like the European Great Powers, informed of the introduction of universal military service, is, as I further hear, not correct. I have the impression that the fact that they were not informed is rather welcome here.

The swing of opinion already observed during the last few days has become more pronounced and is now clearly noticeable in Congress circles too, in as much as the conviction is growing there too that the German step was justified. This likewise applies to the press, whose whole treatment in articles and reports of events in Europe has become much more moderate. However, at present there is growing scepticism about the forthcoming Berlin negotiations. The [section of the] press unfriendly towards us is making the most of this trend, which is also reflected in reports reaching us from Allied capitals, by continuing to predict further treaty violations in addition to the alleged violation of Part V of the Treaty of Versailles,⁷ and by describing Germany's attitude as completely intransigent. The Berlin air manœuvres⁸ are also being exploited in this sense.

In view of the American Government's great interest, again expressed by the President today, in disarmament and especially in their draft treaty on the control of armaments⁹ discussed in Geneva, I would imagine that the official attitude here might be favourably influenced by a friendly German statement on the American draft.¹⁰

LUTHER

⁷ Part V comprised the military, naval and air clauses of the Treaty.

⁸ These manœuvres were the air raid rehearsals of Mar. 19 and 20, in which bombers and fighters of the German air force took part; see *The Times* of Mar. 20 and 21.

⁹ See document No. 351 and footnote 2 thereto.

¹⁰ No record of any action on the proposal in the last sentence of the document here printed has been found. In telegram No. 61 of Mar. 21 (7692/E548291) Luther reported that in the United States there had been an increase of anxiety over, and lessening of sympathy for, the German action. The reports received from Washington are summarized in a memorandum by Fuehr of Mar. 25 (5575/E400017-24) recording the fluctuations of American opinion.

No. 546

9375/E664176-77

Memorandum by the Director of Department IV

BERLIN, March 20, 1935.

The German-Soviet economic negotiations have been concluded.¹

1) Payment of the Soviet Union's debts falling due in 1935 has been

¹ Owing to difficulties which arose over Schacht's insistence that contracts entered into before the extension, on Feb. 15, of the foreign exchange control to Soviet transactions (see documents Nos. 494, and 562) should be submitted for examination to the Ministry of Economics, the agreements were not signed until Apr. 9; see vol. IV of this Series.

settled; payment in gold to the amount of 100 million RM and in supplies of urgently required raw materials.

2) By the end of 1935 Germany is to have received regular orders to the value of 60 million RM.

3) By March 31, 1936, Germany is to have received additional orders to the value of 200 million RM.

4) Firms which have suffered losses due to the devaluation of the dollar are to receive compensation to the amount of 7.5 million RM.

Particulars:

I

The Soviet Union's debts for the supply of industrial products, which fall due by the end of 1935, amount to 200 million RM.² These are to be paid off by the end of 1935 as follows:

a) by payment in gold	100 million RM
b) by the supply of goods required by Germany:	
naphtha products	20 " "
fur goods (of these 45 per cent raw products)	7.5 " "
manganese ore	4.3 " "
silver- and precious metal-bearing washings	1.7 " "
flax	3 " "
bristles	1 " "
asbestos	1.5 " "
apatite	1 " "
c) by the supply of other goods selected by the Soviet Union	60 " "
Sum total	200 million RM

The German Supervisory Boards shall be able to reject goods which Germany does not wish to import. Furthermore, imports of Russian goods shall be permitted only if the prices are not higher than those in the world market

II. New Orders.

1) By the end of 1935 the Soviet Union is to have placed regular orders to the amount of 60 million RM with a normal average credit period of about 19 months.

2) By March 31, 1936, the Soviet Union is to have placed additional orders to the amount of 200 million RM (with a credit period of five years).

² See document No. 529, footnote 4.

III. Compensation for Currency Losses.

The Soviet Union shall pay $7\frac{1}{2}$ million RM for those firms which suffered losses in transactions with Russia due to devaluation of the dollar or pound.

MEYER

[EDITORS' NOTE. On March 20 the French Government addressed a telegram to the Secretary General of the League of Nations in which, acting under Article 16, paragraph 2, of the Covenant, they requested that the attention of the Council be drawn to the action of the German Government in unilaterally repudiating Germany's treaty obligations by the reintroduction of general compulsory military service, the reorganization of the German army and the creation of a military air force; the French Government further requested that an extraordinary meeting of the Council be summoned to examine their present request. (For the text see League of Nations: *Official Journal*, May 1935, p. 569.) The text of the French telegram was communicated by telegram to the German Foreign Ministry by the Secretary General of the League of Nations on March 21 (7692/E548251-52). See also document No. 548].

No. 547

7692/E548192-93

Memorandum by an Official of Department II

BERLIN, March 20, 1935.

e.o. II M 600.

The British and French Military Attachés called at the Reichswehr Ministry yesterday to learn about the purpose and scope of the new law on the expansion of the Wehrmacht.¹ Major Rössing, Head of the Attaché Group, told me that General Renondeau was received by General von Reichenau and Colonel Thorne by himself. The most significant feature of what both gentlemen had to say was their constantly reiterated anxiety about Germany's adherence to the provisions concerning the demilitarized zone. The British Attaché in particular stated with great emphasis that not only British politicians but also British soldiers would not stand for any nonsense on this question. The first question which Colonel Thorne asked was to that effect, namely: whether or not the police formations in the demilitarized zone were included in the figures for the Wehrmacht as a result of the new defence regulations. Both General von Reichenau and Major Rössing pointed out to the Attachés that, as far as the demilitarized zone was

¹ See document No. 532 and footnote 2 thereto.

concerned, we considered that we were in all circumstances bound by the Treaty of Versailles and that accordingly no alterations would be made in the police status and in the strength of the police contingents there.

Submitted via Senior Counsellor Frohwein to Ministerialdirektor Köpke.

BÜLOW²

² Secretary of Legation Adolf von Bülow was the official charged with liaison with the Reichswehr Ministry.

No. 548

7692/E548257-59

*Note from the French Embassy*¹

BERLIN, March 20, 1935.

II M 626.

When he received the French Ambassador on March 16,² the Reich Chancellor informed him of the text of a law, promulgated that day,³ by which the German Government reestablished compulsory military service in Germany and increased the effective force of the German army to 36 divisions. A week earlier the German authorities had officially confirmed the formation of a German military air force.⁴

These decisions are directly contrary to the contractual obligations embodied in the treaties signed by Germany.

They are equally contrary to the Declaration of December 11, 1932,⁵ by which the Government of the Reich, of their own accord, recognized that a general statute of armaments according Germany equality of rights with all the other nations could not be realized without the establishment of a system of security for all.

After making several proposals designed to put this principle into effect, the French Government, in agreement with the British Government, considered they might give proof of their confidence in the Government of the Reich by proposing to the latter a procedure of free negotiation, fully compatible with respecting treaty rights, for the establishment by way of contract of a new statute of armaments for Germany as part of a general settlement of the problem of security and

¹ This Note is translated from the French original. A marginal note on it reads: "Presented at 11 a.m. today by the French Ambassador. The Reich Chancellery have a copy. For the attention of Department II. Ko[tze], Mar. 21." No record of an interview between Neurath and the French Ambassador has been found, but see document No. 550, footnote 1.

² See document No. 538.

³ See document No. 532, footnote 2.

⁴ See document No. 534 and footnote 1 thereto.

⁵ For this Five Power Declaration see vol. I of this Series, Editors' Note, p. 19.

of armaments. And the German Government appeared to justify the confidence reposed in them when they accepted such procedure in principle. The sudden publication of the German Law of March 16 only a short time before the date fixed for a preliminary exchange of views between the Government of the Reich and the other two Governments signatories to the London communiqué of February 3,⁶ constitutes a fresh demonstration of the frame of mind and the methods with which the Government of the Reich intend to approach the offers of conciliation made to them.

The Government of the Republic feel themselves obliged to take note of two things: on the one hand that, as a matter of general principle, the Government of the Reich have deliberately rejected the essential principle of the law of nations that no Power may free itself from the obligations of a treaty, nor modify the provisions of such treaty, except with the assent of the Contracting Powers and by means of an amicable agreement; and on the other hand that, particularly after having themselves expressed the desire to see clarified among the Powers concerned the subject for immediate discussion at the negotiations to which they had been invited, the Government of the Reich deliberately took those measures best calculated to compromise the outcome of such negotiations by previously depriving them, unilaterally and by a *fait accompli*, of one of their essential objects.

It is the duty of the Government of the Republic to make the most formal protest against these measures, on the subject of which they now make the fullest reservations. Mindful of their unceasing efforts, in all loyalty and with the utmost regard for the dignity of Germany, for conciliation and for fully including the Reich in the organization of European security, they cannot but hold the German Government responsible for the state of unrest thus created in the world and for the consequences which may ensue, that is to say the obligations which may be imposed, as a result, on the Governments of the various countries concerned. Being for their own part determined to seek all means of international collaboration likely to dispel this unrest and to secure the peace of Europe, they desire to reaffirm, along with their respect for the good faith of treaties, their firm resolve not to accept, in any negotiations, unilateral decisions taken in violation of international engagements.

⁶ See document No. 479, footnote 1.

No. 549

9785/E687225-33

President of the Reich Colonial League Schnee to Chancellor Hitler

BERLIN, March 20, 1935.

Rk. 2366.

MY FÜHRER: I have the honour to send you herewith a memorandum entitled "Germany's Equality of Rights and the Colonial Question" with an enclosure, and would ask you to take note of it and give it consideration in any negotiations on the matter.

The memorandum is also being sent to Reich Foreign Minister Freiherr von Neurath.¹

Yours etc.,

SCHNEE

[Enclosure]

GERMANY'S EQUALITY OF RIGHTS AND THE COLONIAL QUESTION

The Führer and Chancellor Adolf Hitler has repeatedly described Germany's equality of rights as a condition for any participation by Germany in international agreements, and said in the interview given to Ward Price on January 19 [*sic*], 1935,² regarding Germany's possible return to the League of Nations: "Whether we shall or shall not some day return to this organization depends entirely on whether we can belong as a completely co-equal nation."

In view of the efforts by various nations, especially Britain, to bring about Germany's participation in international agreements on the lines of a system of collective security and if possible her re-entry into the League of Nations, the question as to what is to be understood by Germany's equality of rights in fields other than that of the Wehrmacht will become acute. This also applies particularly to the subject of colonies. This question must be brought up for deliberation at latest when Germany's re-entry into the League of Nations is to be discussed. For, as regards colonies, Germany has so far by no means been treated as having equal rights and equal rank by the League of Nations.

In Article 119 of the Versailles Dictate the relinquishment of all her overseas possessions was imposed upon Germany; this constituted a violation of the preliminary peace treaty (the Note by the American Secretary of State, Lansing, of November 5, 1918),³ which envisaged a

¹ The copy of this memorandum which was sent to Neurath has not been found.

² Hitler gave an interview on Jan. 17 to Ward Price, special foreign correspondent of the London *Daily Mail*. Extracts from his statements are printed in Baynes: *Hitler's Speeches*, vol. II, pp. 1198-1201.

³ For the text of this Note see *Foreign Relations of the United States, 1918* (Washington: Government Printing Office, 1933), Supp. 1, vol. I, pp. 468-469.

peace based on President Wilson's Fourteen Points and, as regards colonies, according to Point 5, "a free, open-minded and absolutely impartial settlement of all colonial claims", while taking into consideration the interests of the population. Under Article 22 of the League of Nations Covenant, which forms an integral part of the Versailles Dictate, the German colonies were placed under the mandatory administration of the "advanced nations" who were best qualified for this. In actual fact the mandates are distributed amongst those Powers whose troops had occupied the German colonies during the war, purely according to the political and economic interests of the nations concerned, and partly on the basis of secret treaties which had been concluded between these nations during the war.

The expropriation of the German colonies and their placing under the mandatory system was justified by the false assertion that Germany had proved herself incapable and unworthy as a colonizer. It is obvious that these measures amounted to discrimination against Germany. Only German colonies were placed under the mandatory system, the colonies of all the other nations have remained under their own sovereign administration. Germany, however, was not only treated as a State with inferior rights but also as an inferior nation in that she remained outside the circle of those "advanced nations" who were entrusted with the carrying out of the mandatory administration.

There can be no question whatever of Germany returning to the League of Nations as long as this state of affairs continues. Germany's absolute equality of rights in respect of the colonies demands a restoration of the *status quo* through a return of the colonies which were torn from us under false pretences based on the lie about colonial guilt and by ceasing to apply the mandatory system to the German colonies.

From the point of view of equality of rights for Germany we should, in my opinion, persist in this demand in principle. It is quite another question whether the actual return of every single colony which Germany possessed before the World War is attainable in the present general political situation or whether it is in fact in Germany's own interests to strive for this. In my view, the answer to this question would be in the negative as regards the South Sea Islands north of the equator which have come under Japanese mandate. These are small islands which would in practice hardly be of any economic or other value to Germany. On the other hand, Japan regards their possession as vital from the point of view of strategy and will undoubtedly never again hand back these islands of her own free will. In this case, in order to avoid a conflict with Japan, which, after all, would not lead to a surrender of the islands, the aim from the outset should be, while maintaining our attitude in principle, to waive our claim for their actual return, against compensation.

In any case, the solution of the colonial question depends mainly

on whether Britain and France attach so much importance to Germany's re-entry into the League of Nations that they are willing to make the necessary sacrifices to achieve this. In both countries, especially in Britain, many people see in a League of Nations of which Germany is also a member a guarantee of peace. There is a possibility that, in order to achieve this aim, Britain and France would make concessions in the colonial field too in order to restore Germany's equality of rights. It may be assumed that for this purpose they would first of all propose recognition in principle of Germany's equality of rights with a promise of practical results later. Both from considerations of principle and in view of past experiences Germany cannot discuss this. Already at the Locarno negotiations in 1925 German foreign policy demanded Germany's active participation in the mandatory system if she entered the League of Nations. The German proposal was declared "legitimate" by the British and French statesmen, but it was not laid down in a treaty. Despite her seven-year membership of the League of Nations, Germany was not given a mandate. I refer to the statements on pages 212-16 of the attached special edition of my memorandum entitled "The German Colonial Problem".⁴

The restoration of Germany's equality of rights in respect of the colonies must not be confined to recognition in principle, but will have to lead to the actual return of such colonial territories as are vital to Germany's existence. This applies primarily to the big African colonies which are in a position to supply in large quantities the colonial raw materials which the German economy requires and which also offer considerable opportunities for the employment, and in many places even the settlement, of Germans in the colonies; furthermore, to German New Guinea, which has as yet been little exploited and is indeed at present only of economic importance because of the gold found there and the production of vegetable fats and oils, but which has great possibilities for the future. Of less importance are the above-mentioned small islands north of the equator (Japanese mandate) and, notwithstanding its beautiful landscape and charming people, Samoa, the "Pearl of the South Seas" (New Zealand mandate). Amongst the small South Sea islands only the little phosphate island of Nauru, situated immediately south of the equator, is of any very great economic value; it is capable of satisfying a large part of the yearly phosphate requirements of German agriculture (British mandate).

As regards opposition to the return of the colonies, which is to be expected, this will probably be relatively least manifest in the case of the West African colonies, the Cameroons (a little larger than Germany) and Togo (as large as Bavaria and Württemberg together), which are for the larger part under French and for the smaller part under British

⁴ Not reprinted (9785/E687235-53).

mandate, provided that France as well as Britain show a sufficiently keen interest in Germany's return to the League of Nations. For these colonies are of no very great value to France, who already possesses similar and very extensive African colonies, which, moreover, she has not the power to develop adequately. Britain's portion of the Cameroons, where the plantations have been back in German hands for the last ten years, is of little importance to her, and her share of Togo still less.

German East Africa (more than double the size of Germany) is a predominantly British mandate with the exception of Ruanda-Urundi, the small densely populated north-western part which is under Belgian mandatory administration. Strong opposition to a return of German East Africa is to be expected, not because of the Cape-to-Cairo railway or because of any similar ideas which have been superseded by the latest developments, but mainly because this is a large country capable of development, of whose value the British people with their experience of colonizing have a much better conception than the Germans, and whose importance has been pointed out time and again by reports from Britons living out there and by many articles in newspapers and periodicals. Moreover, considerations of Britain's interests in her neighbouring colonies, which Britain is endeavouring to unite with the mandated territory into one entity, and in particular the interests of British settlers and businesses, above all in Kenya, play an important part. Nevertheless, restitution does not appear impossible, provided Britain considers Germany's entry into the League of Nations decisive for the safeguarding of peace. A section of the British public has, although it has hitherto by no means exercised a decisive influence, always supported the view that the expropriation of the German colonies was a mistake and has, in principle, demanded their return in order to avoid future conflicts between Britain and Germany.

Apart from the above-mentioned small South Sea islands north of the equator (Japanese mandate) and the phosphate island of Nauru (British mandate), the remainder of the German colonies are under the mandatory rule of British Dominions: German South West Africa (one and a quarter times the size of Germany) under that of the Union of South Africa, German New Guinea (half the size of Germany) under that of Australia, and Samoa under that of New Zealand. Since Britain has no direct authority over these mandates and since, on the other hand, the Dominions are probably not as greatly interested in Germany's return to the League of Nations as Britain, strong opposition may possibly be expected here. Admittedly, Minister Pirow⁵ has said in South Africa that Germany's resurgence as a colonial Power on African soil would be welcomed by South Africa; and South African

⁵ Oswald Pirow, South African Minister of Railways and Harbours and of Defence.

newspapers have made similar statements. But it was not made clear whether they were also thinking of a return of South West Africa. In any case, a complication there is the fact that our German *Volks-genossen* amount to only forty per cent of the white population of South West Africa, and that the majority in the Senate, which consists of Boers, has declared itself in favour of annexation as a fifth province of the Union of South Africa, to which the South African Government have certainly not agreed.

It is hard to foresee what Australia's attitude to the question of a return of New Guinea would be. The colony, which is difficult to develop, has so far been of little value to Australia; but the yield from gold deposits in New Guinea has increased of late and this has naturally given rise to a desire to retain colonial territory of this kind.

Finally, as regards New Zealand, the incompetent New Zealand mandatory administration is in constant conflict with the Samoans. A return to Germany would be in the interests of the country. This small archipelago is not of any great economic value. Nevertheless, already for many years before the war Samoa maintained itself under German administration.

If I may summarize my views, they are as follows:

Germany should only return to the League of Nations if, as regards colonies too, she is treated as a nation with equal rights and of equal rank. For this it is necessary that the discrimination entailed by the expropriation of the German colonies and their placing under the mandatory administration of foreign nations because of Germany's alleged incompetence and unworthiness as a colonial Power, be obviated by the restoration of the *status quo*, that is to say, by the return of the colonies to Germany. Our objective should be the actual return of all colonies unless, as in the case of the South Sea islands north of the equator which are under Japanese mandate, to relinquish them against compensation would be more in Germany's interests than to persist in demanding their return. The decisive factor for Germany's attitude regarding the actual recovery of the German colonies must be Germany's vital needs, which require large colonial territories representing an extension of the home economy, primarily as regards the supply of raw materials, but also as a market for German industrial goods and for the employment of German *Volks-genossen*.⁶

SCHNEE

President of the Reich Colonial League

⁶ In a letter of Mar. 28 (9785/E687259) Lammers informed Schnee that Hitler had taken note of his memorandum.

No. 550

7692/E548260-61

*Note from the Italian Embassy*¹

BERLIN, March 21, 1935

II M 630.

The Reich Chancellor communicated to the Italian Ambassador on March 16² the text of the law,³ promulgated that same day, in accordance with which the German Government have reestablished compulsory military service in Germany and raised the effective strength of the German army to 36 divisions. A week previously the German authorities had officially communicated the formation of a German military air force.⁴

The Italian Government have taken cognizance of the Notes addressed to the German Government on this subject by the British and French Governments.⁵

The Italian Government cannot refrain from pointing out that, both in the agreements reached in Rome on January 7, 1935, between the Italian and French Governments,⁶ and in the final communiqué on the conversations which took place in London between the British and French Governments, which was published on February 3 last,⁷ the essential principle was reaffirmed that the military statute laid down in Part V of the Treaty of Versailles could not be modified by a unilateral act.

The Italian Government, who for their part have always upheld the desirability of a revision of Part V of the Treaty of Versailles by way of negotiation between the Governments concerned in conditions of complete equality, had adhered to the principle that the question of German armaments should have been the subject of discussions in general negotiations on the lines laid down in the Declaration of December 11, 1932,⁸ to which Germany is a party.

This procedure was accepted in principle by the German Government themselves in their communication of February 14 last.⁹

¹ This Note is translated from the Italian original. A marginal note on it reads: "Presented at 1 p.m. v. N[eurath], Mar. 21." No record of a conversation between Neurath and the Italian Ambassador has been found. Copies and translations of the French Note (document No. 548) and of the Italian Note were sent to the principal Missions in Europe and to the Embassy in Tokyo with despatch II M 630 of Mar. 21 (7692/E548262), which stated that the Foreign Minister had at once rejected the Ambassadors' protests, pointing out that the other States had failed to fulfil their disarmament obligations.

² See document No. 538.

³ See document No. 532, footnote 2.

⁴ See document No. 534 and footnote 2 thereto.

⁵ See documents No. 539, footnote 1, and No. 548.

⁶ See document No. 405, footnote 1.

⁷ See document No. 479, footnote 1.

⁸ For this Five Power Declaration see vol. I of this Series, Editors' Note, p. 19.

⁹ See document No. 490, footnote 2.

The Italian Government therefore feel it to be their duty to make the most comprehensive reservations with regard to the German Government's decision and its probable consequences.

The Italian Government have always sought fully to include the Reich in a system of collaboration among the principle Powers concerned, who would fully recognize the Reich as having the rights and responsibilities of a Sovereign State. It is precisely because of the above that the decision of the Reich is a particularly grave one, especially in view of the state of uncertainty which it is arousing in all countries.

The Italian Government have given many and recent proofs of their desire for international collaboration and they propose to continue in this way, which accords with the needs of the peoples and with the prerequisites for a European comity, but they feel it their duty to state that in any future negotiations they will not be able merely to accept as sanctioned *de facto* situations determined by unilateral decisions to cancel undertakings of an international nature.

No. 551

9696/E682806-08

*The Deputy Director of the Economic Department to
the Legation in Rumania*

Telegram

No. 33

BERLIN, March 23, 1935—8:45 p.m.
e.o. II Balk. 730 Rum.

The Commercial Treaty¹ was signed today. Please inform Titulescu and Manolescu-Strunga that the signing took place without previous definite legal recognition of arbitration over the question of the deliveries of material² because we wished to show the Rumanian Government that we believed their repeated assurances that they were firmly resolved to enter upon a new course of friendly financial and economic cooperation with us. However, we certainly expect Titulescu to confirm his recognition in principle of arbitration and, together with ourselves, to find an appropriate legal formula. Failure to adhere to this "gentleman [*sic*] agreement"³ would not only cause very great disappointment here but would also render impossible a settlement of the still outstanding points under negotiation in which Rumania is particularly interested.

ULRICH

¹ For the published portion see *Reichsgesetzblatt*, 1935, Pt. II, pp. 311-337; the unpublished portion and exchange of letters are filmed as 7683/E547697-718.

² See document No. 543, footnote 3.

³ In English in the original.

No. 552

7467/H182130-31

The Ambassador in Great Britain to the Foreign Ministry

Telegram

No. 90 of March 23

LONDON, March 23, 1935—9:17 p.m.

Received March 24—12:35 a.m.

II Abr. 619.

As is only natural, there are various shades of opinion within the British Cabinet when considering what attitude to adopt to the latest events in Germany, although the resolution must be taken as representing the united views of the Cabinet.¹ To my knowledge the division of opinion may be explained something like this:

The view that the Berlin visit must take place has been supported throughout all vicissitudes, first and foremost by Simon, who has a particularly firm grip on British foreign policy at present. Simon is convinced that Britain alone is in a position to lead Europe along the road towards safeguarding peace more effectively and that upon the British Government devolves the duty of trying all possible means of avoiding catastrophic developments. Therefore he does not wish a coalition to be formed against Germany but will leave no stone unturned to bring Germany into a system for safeguarding peace. To him the exchange of views with Germany represents the decisive enquiry to determine whether such a solution will prove possible.

MacDonald appears in this case to have afforded Simon his full support. The majority of the other Ministers, for instance Lord Londonderry,² to whom I was speaking only yesterday, share these views. The opposite views are represented by the Secretary of State for War, Lord Hailsham, whose attitude is indeed well known, and by the Chancellor of the Exchequer, Neville Chamberlain. It is significant in this respect that the Financial Secretary to the Treasury, Cooper,³ who formerly held the same position in the War Office, made a speech a few days ago advocating straight out that Britain, Italy, France and Russia should join together against Germany. It can scarcely be supposed that Cooper would have spoken now . . . (group mutilated) Simon, had he not known that in so doing he would give no offence either to his present or to his former chief.

¹ A debate on foreign affairs, in which the main topics were the German announcement on the reintroduction of conscription and the proposed British visit to Berlin, had taken place on Mar. 21; see *Parl. Deb., H. of C.*, vol. 299, cols. 1393-1414.

² Secretary of State for Air.

³ Alfred Duff Cooper, Financial Secretary, War Office, 1931-1934, Financial Secretary to the Treasury, 1934-1935. In a speech at Maidstone on Mar. 19, 1935, he had advocated that the four great countries who desired peace—Britain, France, Italy and Russia—should stand solid together for peace and make it plain to the world that any disturber of peace would have to face them all. See *The Times* of Mar. 20, 1935.

Baldwin appears to have occupied a middle position, but to be much vexed by the German actions. This may also affect Eden's attitude since he can be regarded as the exponent of Baldwin's views in foreign policy.

There can be no doubt that Eden, who was so much impressed last year by his conversations with the Reich Chancellor,⁴ has recently become markedly cooler towards us. Seeing how much Eden signifies in British politics and will also do in future, it would be most valuable if, during his presence in Berlin, he could be won over again to a better appreciation of German affairs. I should therefore recommend that in Berlin Eden, with whom by the way this Embassy continues to maintain the best relations, should be accorded a special reception and not allowed to be too much overshadowed by Simon, since he is thoroughly appreciative of attention.

HOESCH

⁴ For the memoranda on the conversations between Hitler and Eden on Feb. 20 and 21, 1934, see vol. II of this Series.

No. 553

2945/575978-79

Memorandum by the Foreign Minister

BERLIN, March 23, 1935.

RM 267.

The Polish Ambassador called on me today in order to thank me on behalf of [Foreign] Minister Beck for the information which the Reich Chancellor had given him about our having reintroduced general conscription, and for the accompanying statements.¹ At the same time the Ambassador allowed it to appear that our action had made a profound impression on M. Beck, who was not without anxiety as to its repercussions; M. Beck appeared to have been rendered especially uneasy by the fact that the matter had been brought before the Council of the League of Nations.

I explained to M. Lipski that we had naturally given very careful thought to the results of our action, and that we had realized that France would probably lodge a complaint against us with the League of Nations. We were awaiting the outcome of this action quite calmly, and I could, for one thing, tell him even at this stage that our inclination to return to the League of Nations, as we were being urged to do on all sides, had certainly not been strengthened by the French step. I could indeed imagine that certain members of the Council of the League of Nations would find themselves in some difficulty. We could not, however, relieve them of these conflicts of conscience.

¹ See document No. 538.

The Ambassador then requested that when the German-British conversations² had been concluded he should be informed of their outcome, and I promised him that this should be done.

V. N[EURATH]

² See document No. 555.

No. 554

6691/H098407

The Reichswehr Minister to the Foreign Minister

No. 829/35 geh. Ausl. Ib

BERLIN, March 23, 1935

IV Chi. 637

With reference to IV Chi. 518 of March 14, 1935.¹

The information from General von Falkenhausen that two German officers of the Ordnance Office have arrived in Canton is incorrect. General Sehmsdorf (rtd.) has now arrived there as adviser accompanied by Colonel Preu (rtd.) after the conclusion of a purely private contract. The departure of three or four more ex-officers, who have been engaged by private contract for Canton, is imminent.

There can hardly be any objections on the part of Nanking to retired officers being employed in an advisory capacity, when Nanking itself requested and obtained permission for a Cantonese military study commission to come to Germany.

The right to send advisers to Canton too, in order to establish relations, must be maintained in face of Nanking's objections, particularly as the Reich Minister of Economics will doubtless attach great importance to the establishment of trade relations with Canton too.²

¹ Not printed (6680/H096252); this was a covering note forwarding to Blomberg a copy of Shanghai telegram No. 24 of Mar. 12 (6680/H096251). In this Trautmann reported Falkenhausen's strictly confidential message that prominent Chinese were concerned about the arrival of two officers, Bezold and Schmeding, gas specialists from the Ordnance Office; Sehmsdorf and another officer were leaving shortly for Canton. Chiang Kai-shek would never approve, and the Chinese wanted this stopped. Trautmann added that this was connected with Klein's activities in Canton and Falkenhausen thought it endangered the German Mission in Nanking. In telegram No. 25 sent Mar. 15 from Shanghai (6691/H098395) Trautmann reported information from the Consul General at Canton that, with the Reichswehr Minister's approval, Sehmsdorf had arrived to take up the post of general adviser, and five more German officers were expected. In telegram No. 26 of Mar. 16 from Shanghai (6691/H098399) Trautmann reported Seeckt's statement that he had only heard privately of the posting of general advisers and officers to Canton; it was incorrect that he had informed Chiang Kai-shek and that the latter had objected.

² In a memorandum of Mar. 18 (6680/H096255-60) and with reference to the telegrams cited in footnote 1 above, Voss drew attention to the military ramifications of Klein's activities in Canton and the establishment of a staff of military advisers there. Great care should be exercised in view of the relationship between Nanking and Canton. The Foreign Ministry shared Falkenhausen's view that no war material should be sent from Germany to Canton; the position of the German staff of advisers in Nanking was based on Chiang Kai-shek's confidence in their loyalty, which might be shaken by German military aid to Canton given without his approval; finally, long-term German economic projects in Canton could be affected by any retaliatory measures the Nanking Government might take; hence German military activities in Canton should be restricted to such as were approved by Chiang Kai-shek. See also documents Nos. 476 and 508.

I should be grateful if you would arrange for the Minister in Peking, should the opportunity occur, to put this point of view to the Nanking Chinese. General von Falkenhausen has received a telegram from me of which I enclose a copy.³

BLOMBERG

³ Not printed (6691/H098408); this differs only slightly in its wording from the text of the document here printed. It was actually sent to Nanking, for Falkenhausen, as Foreign Ministry telegram No. 5 of Apr. 1 (6691/H098412-13). In telegram No. 7 of Apr. 3 (6691/H098409) Trautmann was instructed to make any necessary representations on the lines indicated in telegram No. 5 and to cooperate with Falkenhausen in safeguarding German interests in Canton and forestalling any possible resultant complications with Nanking.

No. 555

1572/380349-419

*Unsigned Memorandum*¹

RECORD OF THE SUBSTANCE OF THE CONVERSATION BETWEEN THE
FÜHRER AND CHANCELLOR AND THE BRITISH FOREIGN SECRETARY,
SIR JOHN SIMON, DURING THE MORNING OF MARCH 25, 1935

At the opening of the meeting Simon said: The occasion for the visit was the German Note of February 14² and the desire to advance the situation created by the British Note of February 3³ a stage further. The British delegation had come despite certain German declarations, and this was proof of their desire for personal contact. The subjects for the conversations would be security, armaments questions, League of Nations and air pact. It was the object of British policy to serve peace by securing cooperation amongst all European countries. They hoped Germany would cooperate with all the others. They believed that the future would take on one of two forms: it would either take the form of general cooperation, which Britain greatly desired, or the form of a division into two camps, resulting in isolation on the one side, and the formation of blocs, which might look like encirclement, on the other. He was convinced that the future would develop in one or other of these two ways. British public opinion was very disturbed (and he did not say this in order to complain, but was merely stating a

¹ The unsigned memorandum here printed was sent to Hoesch in London under cover of a letter from Neurath dated Mar. 28 (1572/380348) which reads: "I enclose for your personal and confidential information a copy of the interpreter's memorandum on the conversations here with Simon and Eden. Naturally this record of the course of the conversations gives an unclear picture. Its sole purpose is to enable you to check up on British accounts of the events. As regards our views on the course and results of the negotiations and what value should be attributed to them, our circular instructions [see document No. 564] on the subject are alone authoritative." The interpreter was Secretary of Legation Dr. Paul Schmidt (see his book *Statist auf diplomatischer Bühne* 1923-45 (Bonn, 1949), pp. 293-303).

² See document No. 490 and footnotes thereto.

³ See document No. 479, footnote 2.

fact) by a series of events which had occurred in Germany: the withdrawal from the League of Nations, Austria and certain unilateral announcements. And all this made it difficult to fulfil the promises which had been made. Public opinion was anxiously watching what course German politics would take. Public opinion was the decisive factor in England. England was not at all anti-German, but she was strongly opposed to anything which was liable to disturb the peace. England could also claim that in the past she had, on many an occasion stood up for Germany as, for example, over ceasing reparations payments,⁴ the evacuation of the Rhineland, etc.⁵ She wished to be "fair"⁶ and just. In face of the present situation, the British people were in doubt. They believed Germany's assurance that Germany also wanted peace but they were not clear as to what action would follow these assurances and whether the desire for cooperation with Germany would subsequently prove to have been justified. He had no cut and dried plan for the negotiations, but wished to have a free and frank discussion.

The Reich Chancellor said that the British visit had pleased the German Government and the German people. This visit afforded the first great possibility of finding a basis of understanding through direct conversations. He was convinced that the British Government and the British people would obtain a true picture of the situation here. In these discussions he wished to avoid all customary formalities which might stand in the way of absolute frankness. He met the English gentlemen as a man who was in no way responsible for the outbreak and conduct of the war, or for the Peace, and he was saying this in order to show that he was completely objective. He was one of the few European statesmen of the present time who could endeavour to plan for the future in an entirely unbiased manner. His great aim was to revive and make happy the German people, stricken by immeasurable disaster. This was his life's mission and he would be the happiest of men if he could combine this with maintaining peace. The revival had as much of an economic as of a general political and moral character; hence the threefold nature of his task. He was carrying out his policy in accordance with the mandate he had received from the German people. This was the source of the confidence shown in him and only as a man possessing this confidence was he in a position to talk to the British representatives. There was no dictatorship in Germany, contrary to the opinion widely held abroad; he felt himself

⁴ Under the agreement reached at the Lausanne Conference and signed on July 9, 1932, German reparations payments came to an end; see *British Documents*, Second Series, vol. III, chapter III and Appendix III.

⁵ Under the agreement reached at the second session of the Hague Conference in 1930, the last Allied troops evacuated the Rhineland on June 30, 1930, five years earlier than the time limit laid down in the Treaty of Versailles.

⁶ In English in the original.

to be only a representative of the will of the people. It was therefore impossible for him to pursue a policy which the people did not understand or which they could not in the long run support. Every one of his steps had been approved by the whole people. Everything that had happened in the last two years had been willed and approved by the people, just as all his future steps would be approved by the whole nation.

Although, as he had said, his task was threefold in nature, he would not deal today with its first, economic aspect, but with its general political side. Simon had mentioned two possibilities; either general solidarity or the formation of blocs. There was no one among the German people and their Government who did not welcome and desire general solidarity. The experiences of the past fifteen years in this respect had, however, been infinitely bitter, and, if this solidarity were to be achieved, it would be necessary to overcome the psychosis which existed abroad and which had, in the past, in our view at least, prevented any cooperation with us, even laying it down by treaty. Solidarity could only exist between nations with absolutely equal rights. Any attempt to achieve it on a basis of inequality must arouse feelings which would in the end destroy any success which might appear to have been gained. European solidarity demanded that the European States should set themselves objectives which did not threaten the existence of other nations. In view of the political convictions which now prevailed in Germany, the German objective could not constitute a threat to any other country. The foundation of our present-day political convictions had received insufficient attention abroad. If they paid it more attention, people would see that those principles of ours for which we had so far been reproached, in fact meant that the existence of others was safeguarded. National Socialism had no expansive character. It was a political conception, born of a people's distress, designed for that people and applicable to Germany alone. The doctrine contained no claim to expansion beyond the frontiers of Germany. Unfortunately, however, there were opposed to this political creed a number of other ideas which did not confine themselves spiritually and politically to one people, but deliberately aimed at internationalism and wished to infect others, openly seeking to conquer other nations. Herein lay a first threat to solidarity. He spoke of this not as a theorist but as a fighter who for fifteen years had opposed these ideas. He had succeeded in preventing the spiritual conquest of Germany by alien political conceptions. But the threat was still there and it constituted the first and most serious hindrance to any solidarity. It did not emanate from Germany. Therefore, that Germany was not interested in imperialism was due to the fact that, in purely political terms, she could expect nothing from it. She was surrounded by purely national States which were either very

densely populated or imbued with strong nationalist feelings. Germany did not intend to tear territories away from such States, since this would mean ignoring the difficulties from which the country was already suffering. Satisfying the needs of our 68 million inhabitants provided difficulties enough without our wishing to add to them, as would be the case with every piece of frontier territory we acquired. Germany's economic difficulties would not be lessened by the annexation of territories which suffered the same difficulties. Nor had Germany taken a single step which could be said to constitute a territorial threat to others. The reasons for the British people's uneasiness to which Simon had referred were, in reality, conditioned and caused by the third part of his life's mission of which he had spoken, namely that of rehabilitation. Our economic measures had a purely internal character and at most only affected other nations on account of their repercussions on our purchasing power. Our political measures affected only the political organization of our people. They need not concern other nations at all, any more than the British constitution concerned us, at least as long as the British did not obtain their information from so-called political martyrs, of whom, as criminals, we were glad to be rid. Our moral rehabilitation, however, did affect other nations. It could not be understood merely by reference to contractual engagements [*paragraphenmässig*] but only by those who were able, in imagination, to apply the German situation to their own people. If England in 1914 had been in circumstances similar to ours; if she had defended herself as we did; if she, like us, had been defeated by a superior Power, and had then obtained a peace such as we did, then every Englishman would understand the Chancellor's attitude, and everyone would have acted in exactly the same way. He knew quite well that all this was difficult for an Englishman to understand, but it constituted present-day Germany's greatest problem. We also were a nation with a great past and great traditions. Events such as those of 1918 were very rare in our history. He could affirm that if anyone thought it worth while to negotiate with Germany and to invite her to make concrete agreements, then these agreements could only have a meaning if they were made with a Government in Germany which could guarantee that it had a mandate from the people themselves. And this, as things were, could only be a Government which strove to satisfy the German people's longing for moral rehabilitation. His strength and his capacity for negotiation sprang from this determination to bring about moral rehabilitation. If any doubts were to arise among the [German] people about his determination on this point it would be the end of him. On this point every German Government must be inexorable or it would be worthless. We could offer to make concessions in every possible sphere and to make every possible sacrifice, except that not by one iota might the nation's clear duty to redeem

its honour be diminished. As regards the reproaches made by the British people in this moral sphere, the withdrawal from the League of Nations, for example, had been approved by 94 per cent of the German people. He was convinced that in these circumstances England would not only have withdrawn in the same way, but would probably not have joined the League at all. A League of Nations would be a desirable place for Germany, if she could take her seat there as a nation with completely equal rights. Germany did not wish to disturb any kind of European cooperation, on the contrary, she wished to take part in it as a State with equal rights. Nor had Germany threatened Austria; there had been no interference in the latter's domestic affairs. But there was a régime in power there which was in opposition to the majority of the people, and the difficulties resulted from this. Germany could not maintain a close friendship with a State which abused the Reich and its political ideology and which oppressed its own German citizens. There was a similar problem in Lithuania. There too we desired no conflict, but we could not look on while a small State oppressed 100,000 Germans. If this problem could be solved by international intervention, then none would be happier than we, for we did not desire any use of force.

Finally, in the armaments question we were accused of breaking the provisions of a Treaty. The Chancellor said that, had he been Chancellor in 1919, he would never have signed this Treaty. He would rather have let himself be killed than have cooperated over such a document. A weak Government and a people that had become disheartened had accepted this Treaty under the compulsion of necessity. Even today we still respected the territorial clauses, terrible though they were. The moral defamation we regarded as a violation [of justice]. On this point the Treaty was immoral, and he had never concealed his view that on this point the Treaty must somehow be set aside. He was reminded of the example of 1806. At Waterloo the Duke of Wellington did not, it seems, protest when Prussian soldiers came to his support, although they could only have been trained and armed in violation of an existing treaty.

The Chancellor further emphasized that we had no interest in sabotaging cooperation between European States in any way. He had seen it suggested in the newspapers that he was trying to separate Britain from France. He recalled that he had five times invited France to direct discussion, and that he had repeatedly assured France that after the settlement of the Saar question no further territorial problems would exist between the two countries, a declaration which France had never made after 1870. They had taken note of his declaration in Paris and had not even deigned to send him a reply. He had often asked France to come to Berlin, but the French had obviously preferred to go to Moscow. He had invited Simon and

Eden in order, by means of personal discussions, to seek solutions which could be found in no other way. He was happy and thankful that the gentlemen had come. He regarded them as no other than loyal and honest brokers, as the English newspapers had put it, and he begged them to understand what were the spiritual feelings of a people who for nearly twenty years, had had to bear, in complete isolation, sufferings unique in history. He begged them to be convinced that he was prepared, in the interests of peace in Europe, to make concessions on all points raised in the discussions, except on the one point of German honour. For if he were to make concessions on that point, by tomorrow he would no longer be Chancellor, and whether that would be desirable in the interests of European peace he did not know.

Simon thanked the Reich Chancellor for his remarks on the views of the German people and of their Government. He was already convinced, from his impressions of this morning's conversation, that the Chancellor was right in thinking that direct discussions were better than the exchange of many telegrams. He thought, however, that the Chancellor was mistaken on one point. The Chancellor had indicated several times that he did not think British people capable of understanding the circumstances which had led Germany to desire rehabilitation. He wished to state quite definitely that this belief was mistaken. The British public understood German feelings very well and it was precisely for this reason that they were so anxious to find a firm basis for real cooperation. It was not past happenings, serious as they might have been, which should determine the decision to cooperate, but the needs of the present and of the immediate future. The British people bore no resentment. He believed he could say that they were a very practically minded people with generous instincts and he thought this was the basis for the present contacts. He was grateful to the Chancellor for himself disposing of the absurd assertions that it was part of German policy to try to separate Britain and France. Such a beginning would be the very opposite of the conception of cooperation among all nations which obtained in England. Britain wished to understand France just as much as she wished to understand every other country.

The discussion then turned to the separate points, beginning, at Simon's suggestion, with the Eastern Pact:

Simon stated that the Eastern Pact had been drafted last summer by Barthou in accordance with his own ideas. The British Government had let it be known that they were greatly interested in such a plan but they had also made a number of criticisms. The British were interested in this problem because they could not see how European peace and solidarity were to be assured without a new contribution being made in Eastern Europe by cooperation among the Powers in collision with each other there. In the West there was the Locarno

Treaty, and he was glad to hear that the rights and duties arising out of this Treaty had been confirmed in their entirety by Germany. This Treaty in fact represented an element of solidarity. With regard to the Eastern Pact he said there were three distinct points:

- (1) a treaty of non-aggression between the parties,
- (2) the promise to consult in the event that anyone should believe the Treaty to be threatened,
- (3) proposals for mutual assistance.

The British Government's view was that the Pact did indeed represent a contribution to European solidarity. They had made criticisms and the draft had been amended accordingly. He was now of the opinion that the British Government would be pleased to see the pact materialize. He would be glad to learn from the Chancellor how Germany regarded these three points.

The Chancellor said that Germany could expect to gain nothing from a war. The military experts too believed that a European war would have disastrous repercussions, particularly in consequence of the development of the air arm, and that Germany especially would be more exposed to these repercussions than her Eastern neighbours, whose large open spaces afforded fewer targets for air attack. It could be said that Germany was 95 per cent more vulnerable than these States; she was therefore most interested in the preservation of peace. The purpose of the Eastern Pact was allegedly to prevent war. One must therefore ask what possibilities there were in theory of warlike developments arising in Eastern Europe, for example between Germany and Poland, Poland and Russia, Germany and Czechoslovakia, Poland and the [Baltic] Border States, the [Baltic] Border States amongst themselves, and so on. The possibility of hostilities between Germany and Russia could be ruled out, because the two countries had no common frontier. The case of a conflict between Germany and Poland could also be ruled out because they had a pact,⁷ which had still some considerable time to run, and under which the possibility of hostile developments was excluded. A conflict between Russia and Poland was also excluded, since the two countries had concluded a non-aggression pact between them.⁸ There were also similar treaties between the Baltic States and Russia,⁹ so that conflicts there did not come into the question either. Between Germany and Czechoslovakia too there was an arbitration agreement¹⁰ excluding the use of force.

⁷ i.e., the German-Polish Declaration of Non-Aggression of Jan. 26, 1934; for the text see vol. II of this Series.

⁸ See document No. 226, footnote 3.

⁹ Non-aggression Treaties had been concluded by the Soviet Union with Estonia on May 4, 1932, Latvia on Feb. 5, 1932 and Lithuania on Sept. 28, 1926 (renewed on May 6, 1931). For the texts see League of Nations: *Treaty Series*, vol. cxxxi, pp. 297-307, vol. cxlviii, pp. 113-127, and vol. lx, pp. 145-159, and vol. cxxv, pp. 255-259, respectively.

¹⁰ See document No. 501, footnote 6.

There remained, therefore, but few possibilities of a conflagration. The first question was: Who could want a war? It was unthinkable that the Baltic States should try to attack Russia. Nor did he believe in such a possibility with regard to Poland. He could give a definite assurance that Germany had no idea of declaring war on Russia. Unfortunately, however, he had not the same conviction regarding the possibility of Russia resorting to warlike action against Germany; his doubts were based on the existence of the Bolshevik ideology in Russia, which could in fact not be separated from the Soviet Government and which, as it had always done, still proclaimed the right to revolutionize the whole world. He also knew that a strong aversion to Poland existed in Russia. This appeared to be in contradiction to the fact that Russia desired an Eastern Pact, but she needed the Pact to relieve her in respect of the situation in the Far East. Whether, once a conflict in this region had been resolved successfully or otherwise, Russia would still be of the same mind in respect of her Western frontier, he took leave to doubt. He wished to say quite frankly that in his view Russia, as a result of her political leanings and her economic and military strength, and in consequence of the way in which she was constituted politically and of her military preparedness, was of all States the one which could most easily start a war, and which would itself be least threatened by a war. For an occupation of Russian territory, even of an area as large as the whole of Germany, would mean practically nothing to Russia. Russia was the country which could start a war with the least risk to herself, and which at the same time was least vulnerable to the effects of war. He believed that it would be useful to conclude treaties of non-aggression with other countries. He was also prepared to increase the number of these treaties, with the sole exception of Lithuania; this was not because he intended to make war on that country, but because he could not conclude a treaty with a State which treated Germans in the way in which they were treated in Lithuania. As soon as the guarantors of the Memel Convention¹¹ induced Lithuania to alter her conduct towards the Germans in the Memel Territory he would be prepared to conclude a non-aggression pact with Lithuania. He expressly assured the British representatives that he was not thinking of making war on, or even using force against, Lithuania, but he would only consider concluding treaties when the principle of autonomy was once again recognized. He believed it would be an easy matter for the great Signatory Powers to compel little Lithuania to observe the treaties.

Mr. Eden then stated his views on the Chancellor's remarks about Bolshevism. He believed that even in Russia Bolshevism was regarded rather as an internal than as an international question. Russia was

¹¹ See Editors' Note, p. 137.

not able, nor did she wish, to wage a war in order to spread the Bolshevik ideals. With her great size and her economic and financial situation, she was today probably of all countries the one with most domestic difficulties. Though he admitted that the Chancellor's fear of air attacks in consequence of Germany's especial vulnerability were justified, the military principle that a war could only be won on land still held good. After all, the fear of a Russian threat was a special argument in favour of the proposed combination [*Zusammenschluss*]. He would not conceal the fact that one of the things which frequently caused uneasiness abroad was the so-called Rosenberg¹² plan against Russia and the possibility that the German Government might be interested in it. Britain was concerned only in so far as she hoped that an East European arrangement would come about and would be as effective as the Locarno Pact. He noted with satisfaction that the Chancellor was prepared to conclude bilateral treaties with other States. He asked us to let him know whether Germany would be prepared to include these bilateral treaties in a multilateral overall treaty.

The Chancellor replied that his statements about the Russian danger should not be taken to mean that he thought European solidarity was not necessary. On the contrary. The whole of Europe must and would defend itself against this danger. The reason why Russia disliked us was precisely because she regarded us as the bulwark against Bolshevik Asia. If he were wrong, then Europe was so much the more fortunate, but if he were right, then his warning was appropriate. It was true that the air arm alone could not decide a war, certainly not a war against Russia, but it was more likely that it could decide a war against Germany, Britain or one of the densely populated continental countries. But Russia was dangerous even as a land Power. Fifteen years ago she had possessed virtually no army; today she was already the strongest Power of all on land. In five or ten years' time she might, in addition to 20-30,000 aircraft, easily have 20,000 tanks and an army of from sixteen to eighteen million men. She also possessed the most favourably situated armaments industry, deep in the interior and secure from enemy occupation. In ten years Russia would be the World Power with the greatest military weight of all. The Chancellor said he was prepared to join a system of non-aggression pacts and to include the bilateral treaties concluded or to be concluded by Germany in a multilateral treaty.

Wishing to be clear about Lithuania, Simon asked whether he was right in thinking that, if the Chancellor included the bilateral treaties in a multilateral one, but wished to make an exception with regard to Lithuania, this would not be an exception of principle. If he could

¹² Alfred Rosenberg was a leading exponent of plans for German expansion into Eastern Europe.

confirm this, this statement would be very useful to the British visitors. It would make it easier to induce Lithuania to return to the observance of the treaties if it could be established that Germany's refusal to conclude a treaty with her was only due to the present exceptional position.

Recapitulating, the Chancellor replied that as regards point 1 (non-aggression pacts) Germany was prepared to conclude them; as regard point 2 (consultations) she was also prepared to accept them. It was on point 3 (mutual assistance) that the differences arose. The practical realization of mutual assistance depended on the definition of the aggressor. This alone made it clear that mutual assistance would be impossible since, for instance in the case of the World War, it had already been delayed twenty years; for even today it had still not been possible to be clear as to who was responsible for the outbreak of war in 1914. Where would there be a tribunal with the wisdom of a Solomon which could determine the aggressor within a few hours, as would be necessary, for instance, in the case of an air war. Such agreements for the rendering of assistance were in fact no other than the old pre-war treaties, which were all defensive alliances. To introduce into the pact the idea of mutual assistance was in reality only to organize war; for it would become a problem of clever statesmanship so to arrange matters that the enemy would appear to be the aggressor, while one could oneself attack and yet be able to claim assistance.

To this Simon replied that the difference between the philosophy of mutual assistance and the pre-war treaties was that the old system meant that a number of nations cooperated against an enemy outside their alliance, while the new system was not aimed against outside enemies, but against aggression in contravention of the treaty by one of the Contracting Powers. The same principle was applied in the Locarno system, where, after all, both sides approved of it.

The Chancellor replied that even this system did not remove differences that existed within it, and divergences of interest that existed amongst the parties to it went on. In the past fifteen years the custom had arisen that when there were disputes between two States of very unequal size and power, the decision had always gone against the weaker party and in favour of the stronger—for instance in the League of Nations, doubtless in the conviction of serving the cause of peace. In normal circumstances, therefore, the stronger of two Powers in conflict even if *de facto* the aggressor could count upon a favourable verdict and assistance from the others, in the interests of localizing the dispute. Nevertheless a clear definition of the aggressor was important because as a party to such a treaty one would, in accordance with this verdict have to lead one's own people into war as soon as two other Powers were quarrelling. We would thus be obliged to place our young men at the disposal of another nation without really knowing who was in fact the aggressor. The Locarno system involved only a limited

number of States, neighbours to one another and having close mutual relations. The problems were easily surveyed. The Eastern Pact, on the contrary, was intended for a large number of States with unpredictable interests and antagonisms, internal uncertainties and fluctuating Governments, such as might engender a much larger variety of conflicts. This pact should therefore be approached with the greatest sense of responsibility. He could not lead the German people on to a battlefield where, for unknown reasons, unknown causes were being fought out. He had renounced Alsace-Lorraine. This had been a hard thing to do, for these provinces had once been German, had been conquered, won back again, defended in the World War and then lost again. He renounced them for the sake of peace and in order to spare his people that further sacrifice of blood, without which new territorial adjustments were unthinkable. Now, for the sake of the Eastern Pact, he was expected to lead the German people to the slaughter for territories in which they had no interest at all. An undertaking to shed her blood over Eastern Pact questions would mean about the same to Germany as being brought into Balkan problems. A German statesman who acted in such a way would be unfaithful to the full powers entrusted to him by the people. He, however, did not intend to conclude a treaty which he might not be able to keep. In two of the conceivable cases of conflict, mutual assistance could not be rendered without passing right across German territory. If France were to attack Germany, we should have to expect Russian military assistance, and if Russia attacked Germany, French military assistance on our territory, supposing Germany to be innocent in both cases. But no one in our country wanted to be supported by Russia. He was more afraid of Russian help than of a French attack. British assistance he would accept at once, and would gladly receive British troops in Germany; Bolshevik troops, on the other hand, never, either as friend or as foe; he knew what Bolshevism in a German-speaking country was like. To invite it into any country in the form of Bolshevik troops sent to render assistance seemed to him like scattering in one's own camp a sack of plague germs with which one had intended to infect the enemy. If the Bolsheviks wished to undertake to render military aid to National Socialism, then this was about on a par with the Roman Catholic Church wanting to militarize its monasteries and assist Buddhism or Mohammedanism. The situation in Western Europe was different; the nations there were in some ways alike. An alliance with Russia was not so unthinkable for France, because the whole of Europe lay between the two countries. But he could not employ German National Socialists on behalf of the Bolsheviks. He could say here and now that Germany wanted no war with Russia. He could not commit himself to more than that because if he did the German people would simply not march. On the other hand, he asked

that it be considered whether other, negative, measures might not be possible, for example, a promise not to support an aggressor. Germany was prepared to give such a promise.

CONTINUATION OF THE MEETING ON MARCH 25, 1935, AT 4 P.M.

Sir John Simon began by asking a further question on the Eastern Pact. The Chancellor had stated that he would accept a multilateral pact and an undertaking to consult. He had explained why he could not accept an obligation of mutual assistance. Assuming that a multilateral pact were to come about and some of the parties to it wished to include among themselves assistance obligations without German participation, he would like to know, in order to be clear on this point, assuming that the negotiations on the Eastern Pact might develop in this way, whether Germany would agree to it.

The Chancellor replied that such a development would appear to him to be objectionable, because it would be an exact repetition of the pre-war treaties. There would then be separate groups of interests within the wider treaty system. Germany favoured a community of interests which made separate groupings impossible. She was against a system of groups of such a kind that some undertook only consultation, non-aggression and no support for the aggressor, while others also rendered military assistance. In the quite conceivable event of conflicts between two States belonging to different groups, the objective legal position would no longer be decisive, but instead questions of pure self-interest would take first place. The two groups would no longer be able to adopt an objective attitude. The whole thing was therefore a retrogression to the pre-war alliances, and would lead to involvement in a world conflict which in the end would no longer bear any relation to the original issue. The aim should be not to extend but to localize conflicts. Pacts providing for consultation would no longer have any meaning if military attacks automatically resulted from another group. If three or four countries had already been dragged into the conflict, it was difficult to see how limits could afterwards be imposed. The result would be that in the near future separate military pacts would lead to corresponding special groupings, for example, a Franco-Russian-Czech special agreement would be countered by another combination, possibly between Germany, Poland and others, and these agreements, which contravened the sense and spirit of the true League of Nations, would even be morally legalized by the general pact. It would be quite sufficient to have a general pact containing the three undertakings which he had suggested, provided one could generally put one's trust in the force of signatures to treaties. If such trust did not obtain, the military special agreements would be still

more dangerous and would break up the whole system. He would add that, at present, we had no military agreements with Poland at all, and that neither country desired such agreements.

On this point Simon remarked that he had intended to ask what positive proposals Germany had to make with regard to the possibilities for a treaty in Eastern Europe. He believed he might leave the details for discussion with the Reich Foreign Minister; he only wished to say that according to his information the French Government had requested a statement of the German views on their last communication¹³ on the question of the Eastern Pact but had not yet received a reply. Without taking sides or going into more detail, he wished to say that he hoped the German Government would let the French Government have an answer.

Freiherr von Neurath replied that the French Government had themselves sent a rejoinder to the first German answer,¹⁴ but had put forward no arguments or grounds necessitating any essential alteration in our first answer. The German Government were, however, prepared to reply again on the lines which the Chancellor had just laid down, and to add the proposal for arbitration procedure, but in no circumstances would they consider provisions for mutual assistance. On the idea of groupings within a general pact, the Foreign Minister remarked that these would mean that we, who wished to remain outside the military grouping, would be legalizing a Franco-Russian alliance. The position would be the same as if such an alliance existed quite separately and it would certainly increase rather than reduce the danger of war.

At Simon's suggestion the discussion on the Eastern Pact was then brought to a close and the Central European Pact of non-intervention¹⁵ was next dealt with. Mr. Eden began by saying that on this question too the French Government and the other Governments concerned had communicated their replies¹⁶ to the German Government and were awaiting a further German statement. The British Government thought they were right in believing that the German Government's attitude was, in principle, favourable and that practical difficulties only still prevented the pact from materializing; they hoped that these could be solved.

The Chancellor replied that the reason for the difficulties in German-Austrian relations were as follows: The inhabitants of the two countries had the same national origin. Until 1866 they had together formed a political unit, namely the German Confederation. The population of Austria would, on a free vote, undoubtedly demand closer relations

¹³ See document No. 440. See also documents Nos. 466 and 502.

¹⁴ Document No. 200.

¹⁵ See document No. 408.

¹⁶ See documents Nos. 518 and 520.

with Germany, if not complete union. The two countries had always had certain ideas in common. Literature, poetry, music, the arts and sciences, legal conceptions and historical tradition were common to both countries. They also had common political ideals. The Social Democratic idea, as also liberal ideas, and even the Communist movement and the National Socialist Movement, were no exceptions to this. Moreover there were many individual ties of kinship between the two countries. The number of families with members in both countries amounted to hundreds of thousands. In Austria there was a large German colony; in Germany there were over 275,000 Austrians who had naturally a corresponding number of relations in Austria, but who, nonetheless, felt themselves to be members of the German Reich. He himself was Austrian born and some of his relations still lived in Austria. All these circumstances were decisive in comprehending the problem of Germany and Austria. The difficulties caused by the separation of the two States were yet more increased by economic factors. Millions of people were convinced that Austria was not economically viable. No one in Germany wished to annex Austria, to force a union upon her or to diminish her right to self-determination. The difficulties between Germany and Austria had arisen because over here National Socialism had conquered the nation, while in Austria, though this organization had indeed also been successful, there was a counter organization which received strong financial support from Italian Fascism, to which it was more closely related. Thus there arose an *internal Austrian* conflict in which the counter organization with its corporations¹⁷ had rendered a free expression of the people's will impossible and was governing at present without the possibility of any popular expression of opinion. This Government had driven more than 40,000 Austrians to emigrate to Germany, and about 160,000 Germans living in Austria turned regularly to their relations in Germany for support. There had thus come about an Austrian emigration to Germany, which was much greater than the German emigration to Paris, Prague, Holland or anywhere else. This group of *émigrés* which was numerically substantial, was constantly taking an active part in Austrian affairs and wished to see a different régime there. The whole problem must somehow be reconciled with the conception of intervention and non-intervention. To give an example: literature of all kinds was continuously being published in Prague, Paris and other cities, including London, attacking Germany, advocating the overthrow of the National Socialist régime and inciting to disobedience, although the National Socialist régime had been confirmed by a 90 per cent majority. Attacks were even made on our legal institutions, and the Chancellor recalled the

¹⁷ The new Austrian Constitution, published in the *Bundesgesetzblatt* on Apr. 30, 1934, proclaimed Austria a Christian, German, Federal State on a corporative foundation.

staging of proceedings parallel to the Reichstag fire trial.¹⁸ Pamphlets, newspapers and leaflets were constantly being printed and the other Governments said that they could not stop it, although at the same time the German Government were reproached because the Austrians in Germany pursued the same activities against Austria. This was the tragedy of the way in which Austro-German relations had developed. He was himself convinced that if there were a régime in Austria which represented the populár will, whatever this régime might be like, the Austrian *émigrés* would be deprived of any moral foundation for their activities, just as the German *émigrés* had no moral foundation for theirs, since the régime in power here was supported by the overwhelming majority of the people. He had no desire to effect territorial rectifications at Austria's expense or in any way to bring about a union with Austria. If people in London knew Austria as well as he knew it, they would believe his assurance that he could not wish to increase our economic difficulties by adding to our own a territory with still further economic difficulties. All we wanted was for Austria to disappear from the international chessboard and to be happy in her own fashion. But other countries would also have to refrain in the same way. He was not, of course, now referring to Britain but to another country which must stop making Austria a field for machinations in foreign policy. We would be very ready to contribute to the pacification of Austria.

Freiherr von Neurath, speaking in particular about the Austrian pact, said that we were prepared to accept the idea in principle, but there were doubts about certain practical details. The main doubt concerned the definition of the meaning of "non-intervention" itself. The replies to our questions on this point were very vague. To give an example of the difficulties of definition, he might mention that some three weeks ago he had received a protest from the Austrian Government against statements which the Chancellor had made in a private conversation at Saarbrücken.¹⁹ In the conversation he had merely said that if it were possible to have as free a plebiscite in Austria as in the Saar, the result would certainly have been the same. The Austrian Government had protested here, although at the same time Simon had been able to state in the House of Commons that the visiting Austrian Ministers had told him that public opinion in Austria understood British interest in the treatment of the Marxists in Austria.²⁰ The German Government must now wait and see what those who had

¹⁸ For details on the Reichstag fire, see vol. I of this Series, documents Nos. 42, 44 and 54. Immediately before the opening in Leipzig in September 1933 of the trial of five persons charged with burning down the Reichstag in February 1933, a demonstration of protest against these proceedings as a perversion of justice was staged in London; it took the form of holding a parallel trial.

¹⁹ See document No. 524.

²⁰ This refers to a statement by Sir John Simon in the House of Commons on Mar. 6, 1935; see *Parl. Deb., H. of C.*, vol. 298, col. 1919.

initiated the project for the pact had to say about the definition of the terms contained in it.

The Chancellor added that we could but be glad if the concept "intervention" could be made clear, and finally defined. He was in a position to produce 700 Communists, or even to bring into the room between 400 and 500, who were already under arrest, and who had undergone four to six months' training in Moscow in preparation for carrying out acts of terrorism in Germany. They were instructed there in every terrorist activity, including bomb throwing and the handling of weapons, with special reference to Germany. Such a parade would perhaps demonstrate how elastic the term "intervention" was. He also recalled that when the Karl Liebknecht House²¹ had been occupied, there had been found a large number of plans for a civil war in Germany worked out on general staff lines. There had been a complete mobilization timetable on the lines of military mobilization for the course of an armed rising, as general staffs were in the habit of working them out for military mobilization. The Comintern had its own department for revolutionizing every single country and pursued this activity quite openly while the rest of the world was discussing the meaning of "non-intervention".

Mr. Eden said that in view of the murder of King Alexander these Communist preparations for a rising were being considered by a special committee in Geneva. As world attention had already been directed to these events, he would regret it if merely for this reason the whole Central European Pact were to be abandoned.

The Chancellor agreed; he produced this information in order to illustrate the difficulty of differentiating [*sic?* defining] the concepts contained in the draft pact.

Mr. Eden pointed out that the last *démarche* in the pact preliminaries had been a French Note to Germany and he hoped that there would not be too long a delay in following up these proceedings.

Simon said he was pleased that the German Government welcomed a pact which excluded foreign intervention. He recognized that its application entailed difficulties. Perhaps the German Government would themselves be in a position to make definite proposals for bringing about the pact and themselves contribute to a solution.

The Foreign Minister and the Chancellor replied that they wished to leave the preparation of further proposals to those States which had taken the initiative in the whole conception of the pact. We had no intention of threatening Austrian sovereignty. We, too, could have mobilized two or three divisions in the past year and today could do so even more easily. But we had not attempted to achieve a diplomatic success by applying any sort of pressure. If it really came to blows

²¹ The Communist headquarters in Berlin.

the German soldier would do his duty just as bravely as any other, but Austrian independence had not been threatened by us. Those States who thought that they must do something special about Austrian independence could keep the initiative in working out the pact.

Herr von Ribbentrop recalled that the Chancellor had stated that we did not wish to intervene in Austrian affairs and that he would be pleased if a solution could be found which would stop Austria being Europe's apple of discord. Perhaps the British Government could contribute something towards achieving such a solution?

Simon replied that he could not answer this question. He had said that the British Government would be pleased to see a policy pursued in Central Europe which would guarantee Austrian independence. Britain had not the same interest in Austria, as, for example, in Belgium. She had never interfered in Austrian affairs and was still confining herself to the hope that the problems there would be solved.

The Chancellor said that this was a proposal [*sic?* idea] which one could accept.

Simon remarked that it was difficult to make practical progress on the question.

The Chancellor replied that the obscure aspect of the problem would automatically vanish as soon as a practical solution was found. In its present unclear form the treaty was also meeting with difficulties in other States.

Simon took this up and said that, in order that nothing might remain unclear, he would like to ask what the Reich Chancellor meant by referring to a "practical solution".

The Chancellor replied that he had in mind a solution which would also be acceptable to the other States. The solution so far proposed had up to the present only been accepted by countries who were not directly interested at all, or only partially so. In Germany we had a particular distaste for concoctions which nobody liked and nobody wanted. They were first shoved at us and, if we refused to partake of them, other people complained that they had missed their meal through our fault. In this case he would leave it to the others to agree first.

The British Ambassador countered by saying that as a rule Germany always complained that she was not brought in to help concoct the meal, but merely had something which Simon described as "dictated dishes" set before her.²²

The Chancellor said that there was of course a difference between problems which were important to us and those which were not. We were not interested in Austria. Austrian security could be best achieved by leaving Austria completely alone. Naturally we objected if, for instance, in the armaments question others prepared quota

²² These two words are in English in the original.

agreements and then submitted them to us for acceptance. The Austrian agreement merely pleased other Powers. Moreover, one might put the question as to why there should be concern about non-intervention there, and why we were not getting it too in view of the presence of German *émigrés* in other countries. Such proceedings complicated things still further. The Austrian problem could be easily solved by a non-aggression pact. If one wished to try and conclude non-aggression pacts for all Europe this would result in a discussion lasting for ten or a dozen years. Germany wanted no intervention in Austria. He knew quite well that any intervention in that country, even to fulfil the Austrian people's desire for union, could not be legalized [*sic?* localized]. Although Germany did not herself wish to take any initiative in the matter of this pact, she was nevertheless prepared to cooperate to oblige others.

Simon then took up, as the next point, the question of the League of Nations. He said that it was known how greatly the British Government were interested in a League of Nations where international questions could be discussed. It had in fact been possible to clear up certain questions, and in many questions it had been apparent that this was also useful to Germany. He recalled that the instrumentality of the League of Nations had proved useful in rapidly securing the international police force for the Saar.²³ He would like to avail himself of the opportunity of once again gratefully acknowledging Germany's prompt reply at that time. It had similarly been possible to remove the difficulties in Yugoslav-Hungarian disputes. He was well aware that Germany had many grounds for criticism and wished to see the League reorganized. Britain was extremely interested in the League of Nations. She had no intention of misusing the League by playing one side off against the other, but wished to be a loyal member. It was distressing that Germany should not be represented there. This fact had been one of the reasons for his visit. Public opinion in Britain was constantly concerned as to what could be done to secure peace and how to bring Germany back to the League of Nations. He must say so expressly on behalf of his Government. He was making no criticisms or reproaches but was merely regretting that the League of Nations did not possess that world-wide character which had been intended for it. He would be glad to hear any observations that the German Government might have to make about this. He wished to be the "honest broker" which he thought he was well qualified to be.

The Chancellor replied that the question of the League of Nations was one of the most difficult for us, as Germany had laid down her arms in 1918, trusting in this League. It was well known to have been

²³ See documents Nos. 227, 307, 320, 346, 375 and 378.

one of Wilson's fourteen points and, in view of the mood then prevailing amongst the German people, they had greeted it with the highest hopes. Germany had suffered much more from the war than England. In addition to the two million killed there were about 800,000 who had died at home of typhus caused by starvation. At the time the German people had believed that the League of Nations might perhaps provide a way of reaching a common settlement of part of the troubles of the world. They had had their first disillusionment when the Versailles Treaty was coupled to the League of Nations, because this brought in all the other nations to enforce the reparation demands. It also classified people [*sic?* into victors and vanquished]. Although at that time a weak Government had accepted this declaration of inferiority, the people had never accepted it. The German soldiers had never had a feeling of inferiority or guilt. He himself, as so many others, too young to have played a part in politics, and also all women, who throughout were not concerned with politics, had felt completely innocent and were convinced that they had only done their duty. He had the greatest admiration for the soldiers of other nations, and particularly for the British as opponents, but had never had a feeling of inferiority. The [German] collapse had merely been due to a decline in her powers of resistance. Had he been Chancellor at that time a war with Britain would, he hoped, have been avoided; but, had it been unavoidable, he hoped that it would not have been lost. It was the greatest fault in the Treaty that, for an indefinite time, people were divided into two classes, and we had never accepted this intention in the Treaty. As soon as the League of Nations had been identified with this, it had become intolerable for any decent German. Naturally Britain could only wish to associate with decent Germans. She could hardly want to win over the bad elements in the nation. But decent Germans could never admit that the German people were worth less than any other people.

Mr. Eden stressed Britain's faith in the League of Nations. Such an organization was indispensable in the modern world, since the alternative was a return to the old alliances which had led to the World War. Naturally the League of Nations must be as world wide as possible, and this was one reason, even if not the most important, why Britain wished to see Germany return to the League. He did not take the same view as the Chancellor who had referred to the nations being divided into victors and vanquished. It was technically impossible to divorce the Covenant of the League of Nations from the text of the Versailles Treaty. In effect Germany had been treated with full equality since her entry into the League of Nations. She was a permanent member of the Council in accordance with her status amongst the Great Powers. He fully shared the feelings of a soldier which the Chancellor had expressed. The differentiation into classes,

the one inferior to the other, which the Chancellor had denounced, did not really exist, and he thought that if something could be done to bring this out in technical terms, too, it would be possible to agree upon some way of doing this.

Simon supported this idea by asking whether the separation of the Covenant from the text of the Treaty would really contribute to bringing Germany back to the League of Nations. He did not want to spend time on formalities, unless this would really promote agreement. Britain regarded the Covenant as standing by itself and having merely come about at the same time as the Treaty. If the separation of the two documents would really help, he would be glad to do what he could to have this adopted.

The Chancellor replied that he had defined his position on this question in a pronouncement in May 1933.²⁴ Unfortunately at that time his statements were still valued like those of any other of the Chancellors before him, otherwise this question would have been clear sooner. He had then said that it would be impossible for Germany to take part in any conference whilst she was permanently placed in a position of inferiority. Mr. Eden was right in saying that the problem of technical separation could be solved. But there would still remain the actual fact of the position of inferiority, which we could not rectify ourselves. In military matters we had been able to put things right ourselves by introducing conscription and similar measures.²⁵ Nor, in speaking of our position of inferiority, did he mean the settlement of territorial questions in Europe. He knew very well that the whole structure of European peace would be in danger of collapse if territorial questions were touched. Supposing, however, that Germany returned to Geneva while Japan remained outside; there would then arise the following position: Germany, a member of the League of Nations, not being thought fit to administer colonies, in contrast to Japan, who, without being a member of the League, was administering former German colonial territory. This was a clear illustration of Germany's position of inferiority. Nor was there anybody in the world who benefited from the maintenance of this position. Many people even inside Germany were actually opposed to the possession of colonies. Britain had taken possession of the best territories while Germany was still involved in religious wars. He was convinced that the administration of our colonies had even cost Britain money. But this was not really the point; it was a moral question and one of world prestige. The Chancellor then showed his British visitors a diagram showing the comparative sizes of the European metropolitan countries and their colonies, with other possessions with economic potentialities.

²⁴ For the relevant passage in Hitler's speech before the Reichstag on May 17, 1933, see Baynes: *Hitler's Speeches*, vol. II, pp. 1041-1058.

²⁵ See documents Nos. 532 and 538, also documents Nos. 507 and 534.

He demonstrated that Germany with her 68 million inhabitants in an area of 460,000 square kilometres, that is to say, with a population density of 137 inhabitants to the square kilometre, had by herself insufficient economic living space [*Wirtschaftsraum*]. It would not do to try and find a solution only to have it denounced again shortly thereafter, but in the interests of a true peace a solution must be sought which would be permanently acceptable; Britain would thus have engaged herself for Germany and Germany would abide absolutely by her treaty obligations. He was not asking for the impossible, but for what, in his view, constituted the necessary and reasonable minimum. He recalled that Germany, too, had made great renunciations. Britain had no interest in making Germany a pariah among the nations, but in bringing her into Britain's own sphere of interest. No one could tell how history might develop. But a time would come when the European nations would have to stand together, and when it would be specially important for Germany and Britain to be standing together. No one in Germany, and least of all the National Socialists, felt any hatred or enmity towards Britain. Nor had they any such feelings towards France, but in view of French complexes it was infinitely more difficult to get on better terms with France. Germany was aware that she could never defend any possible colonial possessions of hers single-handed. But it might also happen that Britain required outside help to defend her possessions. Should it be possible to find a solution, this might lead not only to cooperation in Europe but to special relations of friendship between England and Germany.

Simon expressed his pleasure at the frank statements made by both sides. He wished to make two observations: The first was that the Chancellor had so expressed his thoughts that they seemed to require closer relations between Britain and Germany than between Britain and France. Britain wanted to be on good terms with Germany, but must not allow this to prejudice her friendship with France. They did not wish to substitute one friend for another. They did not wish to have special engagements with anyone; Britain was an entirely uncommitted member of the Society of Nations. It would not be "fair" were he to allow the impression to be created that Britain was being disloyal to one friend while seeking another. His second point concerned the colonial question. This would be carefully studied. He could say nothing definite but he must point out that the Mandates were not at Britain's disposal and did not depend on her. They were also at the disposal of other nations besides England as members of the League of Nations. As to the diagram showing the division of colonies, he must point out that the large territories there allotted to Britain included not only colonial territory but also, of course, territories like Canada, South Africa and India. Admittedly these represented the results of British colonization, but it was well known that

nowadays they no longer had the status of colonies in their relations with the homeland. He again expressed his thanks for the candour with which the German Government had expressed their views on the colonial question.

During the translation of Simon's remarks, the Chancellor expressed his agreement with the first point (relations with France); as regards the second point, he said that he had no intention of seizing foreign possessions.

Simon remarked that he did not wish to leave us under the misapprehension that he was holding out hopes to Germany that the British Government could do anything about the colonial question, but he would report the German statements to his Government.

CONTINUATION OF THE DISCUSSION AT 10 A.M. ON MARCH 26, 1935

Simon began by saying that he had no remarks to make, but that he would instead propose turning immediately to the next point, namely, "Armaments". It might be a good thing if he were to begin by making a statement about naval armaments. The German Government were aware that British Government representatives had recently participated in bilateral conversations with other Governments, which had had to take place in view of the fact that in 1935 certain modifications of the existing treaty limitations on naval armaments fell due. The British had had separate discussions with representatives of the United States and of Japan, and, on a smaller scale, with representatives of France and Italy. The purpose of these conversations was to prepare for a great Naval Armaments Conference. The British Government hoped that Germany would also take part in this general conference which would be held in the near future. The British Government thought that it would be desirable if informal conversations about these questions of naval armaments could take place between representatives of the German and British Governments. Past experience had shown that the best place for holding these conversations was London. Other nations had instructed their London Ambassadors and provided them with technical assistants for the same purpose. The British Government desired to learn in this way what were the views of the German Government as to Germany's *desiderata* in the sphere of naval armaments. He was making this proposal without prejudice to the validity of existing treaty provisions and with special reserve on this point, as well as without prejudice to any general agreements in the sphere of armaments such as were foreshadowed in the London communiqué of February 3, [1930].³ The German Government would also be aware that, in the conversations with the representatives of the United States and Japan, the method that had proved to be the most promising had been not to draw up ratios

between the strengths of the fleets, but to study the possibilities of reaching agreement on the naval construction programmes of the various countries for a given number of years. The period that had been under consideration in the other preliminary conversations had been up to 1942. He begged to receive proposals from us about this, and that in making them it should be borne in mind that no country could undertake unlimited naval construction in so relatively short a period. This applied to all countries." He hoped that the same method could be employed in such German-British preliminary conversations in preparation for the main conference. He would be glad to be informed of all German plans in the sphere of naval armaments and was willing to hear all about them, as his visit was purely for information. He hoped that the same method might be employed as with the United States and Japan, namely not making any commitments for an unlimited number of years and not laying down figures for naval ratios and strengths.

The Chancellor said that his first impression of this proposal was one of surprise at something quite new. Previous naval conferences had laid down ratios. In Washington maximal figures [*Schlüsselzahlen*] had been worked out. It had come as a surprise to him that instead of this it was now proposed to draw up naval construction programmes. Should it, for instance, be decided to suspend new construction entirely during this period, the other Powers would then possess their fleets as at present completed, whilst we would still be in the position of having equality of rights in the naval sphere on paper only.

In reply to the Chancellor's question, Simon said that the date of the general conference had not yet been fixed. He added that the Chancellor was mistaken in believing that the proposal about the method of negotiating was new. He was making, firstly, the proposal that there should be a preparatory meeting between British and German representatives to exchange information, under the reservations in respect of existing treaties that had already been mentioned, to serve as preparation for the general conference. The second point in his proposal was merely a piece of information which he was imparting to the German Government, as he had already done to all the other Governments, namely that British experience had so far shown that a construction programme limited to a few years was the best method of negotiating. It was not necessary that the figures agreed upon for naval construction should be the same for all Powers; on the contrary, each State should supply the figures for naval construction which they required during this period.

The Chancellor replied that he accepted the first point regarding preliminary conversations. On the second point he wished to say that even the construction programmes of the various Powers would again bear a definite relation to one another. If Russia, for example, were

to build a new fleet, or France to build giant ships, this must necessarily affect our own construction programme. The best method of proceeding would perhaps only be found when the conference met. Germany did not require, for political reasons, nor had she the financial resources, to pursue unlimited naval rearmament. But she had certain vital necessities which it might not be possible to make dependent on a conference. Although he could promise that Germany was not thinking of entering into an armaments race with England, on the other hand he could perhaps not commit himself in all circumstances over the impending conference, since the date of its meeting was not yet known, and since the conference might fail through Japan. If Germany were to continue to be bound by the Versailles Treaty in the sphere of naval armaments, she would soon have no means whatever of defending herself against France and Russia. Therefore, as Chancellor of the German Reich and conscious of his responsibility, he must make the reservation that he must, if need be, make sure of having such means of defence, irrespective of the results of the conference. He must also make the reservation that from a purely theoretical point of view the results of the conference would not render invalid the existing provisions of the Peace Treaty.

Simon said, on this theoretical point, that the British Government hoped that the preliminary conversations would produce results which would relate to the future and which could then replace the existing provisions. His invitation to take part in preliminary conversations was not designed to remove the existing provisions but to serve to prepare for a future settlement. The Chancellor had further stated that Germany did not intend to enter upon an unlimited naval armaments race. He was very pleased at this. But in view of the frank nature of the discussion he wished to add that the German figure previously mentioned in conversations with the British Ambassador,²⁶ namely 35 per cent of the strength of the British fleet, appeared to his Government to be so large as to make general agreement almost impossible. And this must result in unleashing a general armaments race. Thus France, who now had roughly 50 per cent of the British naval strength, would find it a cause for further increases. It was clear that if Germany was going to build so large a number of *new* ships, it would be thought necessary to increase the fighting strength of the French and probably also the Italian fleets. This would necessarily also affect the British figures. For Germany to begin in this way must therefore lead to a general armaments race. He was saying this because he wished to inform the German Government what a grave impression had been made by the figure they had mentioned. He was at one with the Chancellor in welcoming the preparatory discussions

²⁶ See document No. 358.

and he further believed that the most reasonable scale for calculations could best be found there. He was making this statement in order to make it plain how grave was the impression that the German figure had made in England.

The Chancellor said that he deduced from what Simon had said that France had in the meantime waived an increase on her former ratio of 35 per cent of the British fleet. The British disputed this and it became clear that there had been a misunderstanding since the 35 per cent only related to battleships, whilst in total tonnage the French possessed about 50 per cent of the British. The error could also be seen by comparing the treaties of Washington and London.²⁷ France was, of course, not a party to the latter treaty and was therefore not committed to any treaty limitations on certain categories of ships. The results of both conferences taken together produced a total figure of 667,000 tons for France as against about 1.2 million tons for England.

The Chancellor said that with the 35 per cent [claim] Germany was accepting England's absolute supremacy at sea. She was not doing this for a limited period, but in principle and for ever. On the other hand he could not recognize a French or Italian supremacy in naval armaments. Germany's interest in protecting her overseas trade was just as great as that of France or Italy in protecting theirs. Moreover, he could not see why the figure of 35 per cent claimed by us would justify France in increasing her percentage. Nor was the claim for 35 per cent related to all categories of naval armaments. Germany needed the naval arm particularly for the protection of her long coast-line on the Baltic and for the link with East Prussia which, in practice, had become almost an overseas interest. Accordingly her main requirement was for battleships, whereas she required fewer cruisers. He could correct the view that the 35 per cent was concerned with new ships only, by pointing out that the total amount of this tonnage could certainly not be reached in three or five years, so that during the time required for this construction the other naval Powers would also have carried out the modernization of their fleets. Finally we would continue to be burdened with those ships which had been built under the provisions of the Versailles Treaty, and which, since they resulted in cruisers incapable of sufficient speed and in battleships insufficiently armed, ought to have been left out of account.

Simon summed up that agreement had been reached in principle about the invitation to hold preliminary conversations in London under the agreed reservations.

²⁷ The Treaty for the Limitation of Naval Armament, signed by Great Britain, France, Italy, Japan and the United States, at Washington on Feb. 6, 1922 (for the text see League of Nations: *Treaty Series*, vol. xxv, pp. 196-227) and the Treaty for the Limitation and Reduction of Naval Armament, signed by Great Britain, the United States and Japan, in London on Apr. 22, 1930; France and Italy did not sign Part III of this Treaty. For the text see League of Nations: *Treaty Series*, vol. cxii, pp. 65-91.

Hereupon the Chancellor remarked that he did not conceive of these discussions, which were indeed the first to be held in so official a form with British representatives, as concerned with solving only immediate problems. He thought it necessary that both points of view should be so unreservedly stated as to render possible collaboration with all other Powers for a lengthy period. He thought it would be wrong to bring up at present limited claims which would require to be increased in two or three years' time, or to conceal other claims with a view to bringing them up suddenly in a couple of years' time. Therefore he had been concerned to state openly our views about the preconditions for a return to the League of Nations and about, for instance, the possibilities of concluding a naval convention based on our demands, explaining on what claims our views were based. He was not doing this merely with a view to the present time but was looking forward to the future. It was not possible for us to return to the League of Nations now, and then within a couple of years' time to put forward previously unknown claims, which would entail the risk of having to leave the League again should these claims be rejected. This would continue the unrest in Europe. Since there were certain claims which we could not forgo, he thought it right to state them at once. He, of course, understood that they could only be met in principle at the moment, and that their practical realization could only take place in the course of time. This also applied to the naval claims.

Simon asked whether the meeting could now turn to the question of military armaments.

The Chancellor handed Simon a telegram just received about the Kovno verdict²⁸ and asked with much indignation what England would do if Englishmen were subjected to a similar verdict in such circumstances. The British representatives made no reply.

Eden then said that the German Government must be aware of the desire, displayed for so long by the British Government, to reach an agreement on armaments. Britain had herself reduced her armaments. He could not permit himself to conceal the fact that the German announcement of the introduction of general conscription had created fresh difficulties. The [German] basis of thirty-six divisions would make it impossible to reach agreement. All previous discussions had only been concerned with [a basis of] parity between the principal West European countries. If, as he believed to be the case, the creation of thirty-six divisions represented a total strength of some 500,000 effectives, that was a figure which the Western Powers could not attain, given the size of their populations. There would thus result

²⁸ This refers to a minute by Lammers of Mar. 26, 1935 (9008/E631628) recording the verdicts in the trial in Kovno of the leaders of the two pro-Nazi parties active in Memel. Another copy of this minute (M12/M000338) bears the marginal note: "Information by telephone from State Secretary Funk, 11 a.m. The Führer is informed. [initials unidentified], Mar. 26." See also document No. 341 and footnote 2 thereto.

a German superiority which the other Western Powers could not accept as a basis of discussion. It might help to clarify this point if he were to put a number of separate questions; these were:

- (1) What was the strength of each division and therefore what was the total strength in effectives of the German army?
- (2) What length of military service was envisaged?
- (3) What was to happen about the para-military formations and the police troops?
- (4) What was to happen about the Labour Service?
- (5) What refresher training was proposed for reservists?

He would be glad to have these questions answered merely for the purpose of getting the position clear.

The Chancellor commenced his reply by requesting the British representatives to look at a number of maps and diagrams which he had had prepared.²⁹ The first diagram showed the number of the divisions in the different countries in Europe. Thus, if France only claimed a total strength of twenty-five divisions, this was because the French only counted infantry divisions and left out cavalry divisions as well as motorized troops and divisions stationed in North Africa. In our figure of thirty-six divisions we were including all special divisions and even the so-called Landwehr divisions formed for short periods of training. If the same method of reckoning were applied to France, there would result thirty-four metropolitan divisions and ten divisions in North Africa, that is to say a total of forty-four as against the German total of thirty-six, and he would have nothing against this.³⁰ But it should also be remembered that four of the thirty-six German divisions were stationed in East Prussia. Our Treaty with Poland contained a clause to the effect that this Treaty should not affect Poland's special agreements with France. We must therefore reckon that, in the event of a German attack on France, we should, as a result of the existing treaty obligations, be opposed by not only forty-four French but also thirty-four Polish divisions. And even should Poland remain neutral we should still have to reckon with seventeen Czechoslovak divisions as well. Germany's true position in relation to the other major military Powers only became clear if the following were taken into consideration: without East Prussia, Germany had thirty-two divisions in her own territory. In an area of similar size, Italy had thirty-four divisions. Yet Italy, whose frontier with Switzerland was, in the nature of things, of no military significance, only had very short frontiers to defend, whereas Germany was compelled to defend frontiers of some 3,600 kilometres in length. He might add as a further complication that there was the demilitarized zone where we were not

²⁹ None of these have been found.

³⁰ Marginal note in Bismarck's handwriting: "Not in the despatch" [document No. 564].

allowed to build any fortifications, whereas France had protected her Eastern frontier by a gigantic net of fortifications; moreover, in certain zones, we were likewise not allowed to build fortifications against the 101 Russian divisions and the small Eastern and South Eastern neighbour States. Thus, for example, the most south-easterly fortifications that Germany could have were dangerously close to the capital city of Berlin.

The Chancellor then produced a further chart showing the air strengths of the European countries in terms of front line machines and total aircraft, giving the figures for the years 1934 and 1935 separately. The chart showed, on the basis of a range of 250 kilometres for heavy bombers, what zones could be reached from abroad in one flight, and he pointed out that Berlin came within these zones. The British representatives disputed the figures attributed to Britain, pointing out that the squadrons stationed in India had obviously been included by mistake.

Eden then asked again what total strength the thirty-six divisions represented.

The Chancellor replied that the French Army totalled 540,000 effectives. It was therefore more important to consider that in the main France had only to reckon with Italy and Germany as military Powers, that is to say generally with Europe excluding Russia. In the first place, in view of the Russian threat, we must achieve more or less tolerable relations. The 101 divisions that Russia already had would probably soon grow to 120 divisions. We must further add Czechoslovakia, whose territory came to within a short distance of our capital city; nor must we forget that our frontiers were entirely unprotected. France was at present speaking of her numerically weak age groups, and she had therefore reintroduced a two-year term of military service. In the immediate future Germany might expect age groups which would be just as weak proportionately, but she had nevertheless kept to a one-year term of military service. If the maximum strength of our thirty-six divisions were set at 550,000 men, we should nevertheless not regard it as essential to keep all these men under arms in all circumstances. Should relations between Germany and France improve and perhaps even result in cooperation, we should be pleased to be able to reduce our military measures too, especially since it would then be possible to effect financial economies. But he did think it necessary at once and openly to set a maximum figure which would never be exceeded, no matter what period of military service our Western neighbours might try to introduce. We could tell the British that if Germany, like Britain, were surrounded by a defensive moat, she could manage with an army of 150,000 troops. When Eden put in that in these days of air warfare the British moat no longer afforded full protection, the Chancellor replied that a country could not be

occupied by air forces alone. The police troops that Germany had hitherto possessed would not be retained but would be absorbed into the army. As to the para-military organizations, he pointed out that similar formations in other countries were trained with fire-arms which was not the case with us. The few militarized sections of the SS, of whom Simon had seen part as a guard of honour on his arrival, formed a substitute for the dissolved police formations. The whole SS included only 10,000 men equipped with arms; of these a third each were stationed in Bavaria, Berlin, and Northern Germany.

When Eden asked for precise details of the German stocks of war material, the Chancellor replied that we had as much material as was required to supply our thirty-six divisions, and to keep certain reserves. We claimed we were entitled to all the weapons which other Powers possessed, but would subscribe to any general limitation.

When Eden asked whether Germany would undertake not to manufacture certain weapons above a certain limit, if all the other Powers did the same, the Chancellor said No, since the other Powers already possessed stocks of the weapons to be prohibited. He qualified this by saying, however, that Germany would agree to any limitation internationally applicable; thus, for example, if it were agreed that from January 1, 1938, no nation should possess guns over 15 cm, we should manufacture such guns till then, seeing that the other Powers had these weapons too, but would be prepared to destroy them on that date like the other Powers. He could no longer let Germany remain defenceless in respect of weapons possessed by other Powers. Moreover, he must add that he did not believe that any nation would destroy a single gun as long as it thought that the weapon represented a technical advantage over other Powers. A nation would only be prepared to destroy such guns if convinced that their retention represented no advantage over other Powers. Simon then asked whether, should it prove possible to reach general agreement on armaments limitation, Germany would be prepared to submit to a system of general supervision, to which all countries would, of course, be equally subject.

The Chancellor replied that he would naturally accept this but he would have to ask what proportion was in fact proposed between Germany and Russia in respect of armaments limitation. Russia and France would probably soon be united in military respects. He knew that Britain required the most powerful fleet in the world for the protection of her overseas communications and interests. He did not hesitate to acknowledge this, but he would like to hear what were the British views as to the proportionate strength required between Germany and Russia.

Eden replied that he did not believe that he was entitled to be given [*sic*] a binding answer to this question. However, he would like to

recall that in the MacDonald plan of last May³¹ the proportionate strengths provided for for armies on the continent of Europe were 200,000 men each to Germany, France and Italy, but 500,000 to Russia. As far as he knew, all military experts agreed that the East European soldier counted for less than the West European. The Chancellor replied that a Russian tank was none the less just as good as one belonging to any other Power and that a Russian bomber could drop bombs as easily as any other. There was certainly one difference. The Chancellor displayed a map charting the various industrial areas of the countries of Europe and demonstrated that German industry, and particularly essential war industry, was situated dangerously near the frontiers and was especially vulnerable to enemy bombers, whereas Russian industry was located out of reach in the interior where it was perfectly safe. Then again, it must also be remembered that Germany was not permitted any frontier fortifications in certain zones, which further endangered her vital industries. Simon took this opportunity to return to the air chart. He regretted that whilst figures for front line machines and total strength were given for the countries surrounding Germany, such figures were missing for Germany herself. The Chancellor replied that Germany had deliberately left two armaments questions open, namely those of air and of naval armaments. He had not wished to forestall anything here. His claims in naval armaments amounted to the 35 per cent of the British fleet as stated to the British Ambassador, and in air armaments to parity between Germany, France and Britain. This, however, was on the condition that there was no disproportionate military build-up in Russia, such as would of necessity lead to fresh consultations amongst the other Powers. He emphasized that Russia, although her territory was far better protected than Germany's, was basing her exorbitant claim for 101 divisions, as against Germany's thirty-six, on the size of her population, and was further claiming the right to possess the greatest air fleet in the world. The fact that Germany was not proposing similarly to exploit the size of her population in contrast to that of the other Western Powers, but was only claiming parity, was proof of the modesty of the German armaments claim.

In order to be quite clear on the question of parity, Simon said that the British air armaments consisted of a front line strength of 690 machines in the United Kingdom, with the addition of a special naval force of about 160 machines. This gave a total roughly the same as the figure of 880 machines contained in the German assumption. Front line machines were also stationed in India and other countries belonging to the British Empire. He would be glad to be informed which of these groups the Chancellor had included in the figure on which he based his

³¹ See document No. 25, footnote 6.

calculations about parity. The Chancellor replied that if Britain brought her front line strength stationed in the United Kingdom up to the French strength, he would not be concerned with the remainder of the British air formations. Should Britain not bring her air strength up to that of France, then he could not bind himself to the British figure, as he could not leave his home industry unprotected. Here we had the unusual case of one country actually asking another country to increase its air strength. He was putting this forward in order to provide the clearest proof that Germany had never thought, nor was she thinking, of attacking Britain by air.

Freiherr von Neurath recalled that even during Eden's visit last year, he had speeded him on his way with a final warning to Britain to manufacture aeroplanes for the defence of her territories and with a view to reaching an armaments agreement.³² When Simon further enquired whether the figure given for French air strength included the colonies as well as France proper, the Chancellor replied that in the case of France he was including the air strengths both of France proper and of her North African possessions. On Simon's asking on what the figures for Russian air strength were based, he was told that the official Russian figures had been taken; incidentally they had also been mentioned in a recent speech by Baldwin.³³ Referring once more to the chart giving the various air strengths and to that giving the number of divisions, the Chancellor pointed out that talk attributing to Germany a desire to achieve hegemony in Europe was quite senseless. Should anyone speak of hegemony at all, then it could only seriously relate to Russia or to France and her system of alliances. Simon then asked once more about the present strength of the German military air force. The Chancellor replied that we had reached parity with Britain. He again emphasized the extent of the danger threatening from Russia. When he pointed out the danger to the world represented by Russian Bolshevism, he felt at present that he was a voice crying in the wilderness. But he was certain that the day would come when all other nations would recognize the justice of his warning.

CONTINUATION OF THE DISCUSSION AT 4 P.M. ON MARCH 26, 1935

The meeting began with a discussion of details of the proposed communiqué³⁴ and of the agreement more precisely described below. With reference to German plenipotentiaries being invited to London for the preparatory talks on naval armaments, Simon stated that it had been agreed that the invitation, which the Germans would be

³² No such advice was recorded in the memoranda of Feb. 20 and 21, 1934, on Eden's visit to Berlin, for which see vol. II of this Series.

³³ On Mar. 11, 1935; see *Parl. Deb., H. of C.*, vol. 299, cols. 46-59.

³⁴ Published in the press on Mar. 27, 1935.

accepting, would be in the following terms: "In order to prepare for the naval conference which will aim at a new naval agreement in the future."³⁵ If he had to make an official statement of this kind in England he would use this formula. In the meantime neither party would make or publish any statement on this matter. The Chancellor signified his agreement.

Simon then said that the sole remaining point was the air pact. It was the British Government's view that the air pact, which Britain was proposing jointly with other Powers, should coincide precisely with the obligations resulting from the Locarno Treaty. It would, therefore, only provide for obligations or actions in cases already provided for in the Locarno Treaty. Although therefore no new cases would arise under the proposed pact, the pact would include an obligation to render *immediate* assistance in case of unprovoked *air* attack, without previous consultation, e.g., in Geneva, which was an innovation. The second point was that the method of fulfilling immediately a treaty obligation would have to consist of a Power employing its own air force. These were the two characteristics of the proposed air pact. The pact was not new, in so far as it did not oblige a signatory to take any action when not already obliged to intervene under the Locarno Pact. But it defined the contractual obligation more precisely and made it immediately effective.

Simon then said that secondly he had to state that his Government were pleased to be able to make this proposal to other countries including Germany, because the threat of a sudden and, by its nature very violent attack from the air was today much more immediate than it was when the Locarno Pact was concluded. At that time it was only necessary to envisage the slower mobilization measures which were no longer applicable to present day methods of waging war. The British Government were less influenced by the desire to see reprisals imposed on a law breaker by the other signatories than by the hope that the provisions of the air pact would create such an effective deterrent as to render the temptation to violate the treaty extremely small.

Simon mentioned as his third point that the British Government would much regret it should the conclusion of such an air pact be regarded as tacit recognition of the justice of indiscriminate air attack on densely populated industrial areas. The British Government would therefore raise the question of trying to find some way of including, perhaps in the preamble to the air pact, or elsewhere, a general declaration by all the contracting parties condemning such attacks generally and in principle.

Simon added that, fourthly, he wished to express the hope that the air pact would not be turned into a document containing figures about the strength of the air armaments of the various Powers. It should

³⁵ In English in the original.

only be concerned with the obligation of the Powers to employ their own air forces in the prescribed cases. Consequently it would be necessary to lay down air strengths in another instrument, from which it followed that the air pact would not be a self-contained instrument, but would merely form part of the general pact (as indeed proposed in the Anglo-French communiqué of February 3) which formed the subject of these conversations. He feared he must say that, friendly as these conversations had been, they were not encouraging as regards the prospects of achieving this general pact. He would return to this later on, but wished to emphasize at this point that in any case the air pact would only form part of the whole agreement which he hoped would be reached and on which depended a peaceful future for Europe.

In reply to a question by Freiherr von Neurath with reference to the special position of Italy and Britain under the Locarno Treaty, Simon defined the British proposal as being that the five Locarno Powers conclude an air pact, assuring one another of mutual assistance. There could be added a protocol saying that, without prejudice to the stipulated obligation, no signatory was thereby assuming obligations not already assumed under the Locarno Pact.

The Chancellor said that he wished to state his views on the proposal for the air pact under two aspects. The first aspect was clear, and could be realized in practice. The German Government would agree to it unconditionally, especially to the declaration that indiscriminate bombing of densely populated areas should be prohibited. He thought that such attacks were already contrary to the Geneva Red Cross Convention, particularly if they were accompanied by gas attacks. This already emerged from the fact that such attacks meant war against women and children. The German Government therefore approved such an agreement unreservedly and were prepared to join it at any time. But he regretted the British Government's view that this pact must be made dependent on obtaining a general agreement over air armaments. It would be regrettable if the order of priority had to be such that there must first be a general limitation of armaments, and the air pact could only be concluded subsequently. The air pact seemed to him perfectly clear and realizable at any time, whereas the general convention on armaments still contained a large number of difficult and complicated problems which certainly required a long period for deliberation and might perhaps never lead to a general convention, since the general convention was not being negotiated and decided upon entirely by those nations who were to take part in the air pact, but included a large number of parties and was influenced by considerations of a general nature. Whilst the air pact only required England, Germany, France and Italy to reach agreement, their armaments measures would be indirectly affected by the strengths of other Powers, for instance by that of Russia whose strength was in turn

affected by that of Japan. The British plan made a strictly circumscribed and clear treaty subordinate to imponderables dependent on the cooperation of the whole world. He regretted this. Germany, remembering that she herself would in no case be the strongest air Power, would gladly sign a treaty like the proposed air pact. It was clear that the rapid conclusion of the air pact would ease the general situation and that this pact ought not to be burdened with difficulties which did not belong to it and which could endanger the realization of this most wise and feasible proposal for a treaty. In thus expressing concern he did not mean to imply that Germany wished to reject the air pact but only that she regretted the proposed order of priorities over bringing it about. It appeared to him much more practical to begin by realizing such an air pact, and then to establish air parity amongst the States signatory to the pact. This would greatly contribute to easing the situation, for in the knowledge of this treaty, the signatories would be content with achieving air parity, since, given the security resulting from the treaty, it would be clear to them that any excess of their own air strength over that of another Power would no longer make itself sufficiently felt. On the contrary, every country would be pleased were it to prove possible, by limiting in this way the potential effects of air warfare, also to limit the financial expenditure imposed upon each country. Therefore it would be preferable first to conclude this [air] pact, which would substantially limit the value of the air arm for a considerable number of States. The signatory States would form a peace bloc, would be less unfavourably disposed towards a general reduction of air armaments and would finally, in more favourable circumstances, be able to try to bring about a settlement with the remaining air Powers.

Simon thanked the Chancellor for his explanation on this point which he too considered a very important one. He would carefully consider what the Chancellor had said, but nevertheless he did not think it was quite correct to speak of one proposed pact having priority over the other. The idea contained in the London communiqué was simultaneous discussion of the various points. There were good prospects of making progress on the other points; there would be no occasion to postpone negotiations on the air pact until all the other points had been settled. It was a matter of questions of equal importance, of which the air pact was one. He would agree that that question was perhaps simpler to deal with and its subject matter easier, since only five parties were concerned. He was glad to hear that the Chancellor agreed with his view that this opportunity should be used to promote together, and with other States, the vitally important question of the prevention of bombing from the air. He had also taken note of previous communications in which the Chancellor had spoken about the possibility of totally prohibiting bombing from the air. He recalled

that the draft of the MacDonald pact had included an article providing for such prohibition.

This prohibition was to have been controlled by the Permanent Disarmament Commission or some other international body. But it would never be possible to enforce such prohibitions for the military and naval air armaments as long as it was not possible to exercise strict control over civil aviation too. The fact that modern civil aircraft had achieved extraordinary performances in lift, range and speed, meant that they could equally well be used to drop bombs as to transport passengers. This was a question that greatly interested people in England and on which they would like to hear the German views; it was a question which concerned the development of civil aviation just as much as military preparations in the air. Therefore, he would like the Chancellor to say how, in his view, general control of aircraft could be exercised and the misuse of civil aircraft be prevented.

The Chancellor replied that first he had another point of principle to bring forward.

A substantial cause of the failure of many attempts at international agreement was that the negotiators had tried to follow similar methods to those practised by the great film companies, i.e., only releasing good and bad films together, so that by coupling the two together they could compel people to accept the bad films too. In the same way easy and very difficult treaties were coupled together and the Powers offered all or nothing. He thought it better to do what could be achieved at the moment, and merely to bear in mind such problems as were not as yet capable of complete solution. He did not think it desirable to postpone what could be done because it was coupled with things that could not be realized. In his own political life he had always followed the principle of postponing what was desirable but could not be reached at the moment, in favour of achieving what was practical and could be done. If the international questions under discussion were sifted into what could and could not be done at once, step by step everything desirable would be achieved.

As to the question of bombing, the Chancellor thought that it should not be treated as a purely military matter. One should not speak about the right to bomb or its prohibition, but about an international agreement to provide that this military possibility should not be used. He doubted whether it were possible to deprive civil aviation, without prohibiting it entirely, of all possibilities of use for military purposes. To show that it was a matter of an undertaking to renounce the use of measures that were technically possible, the Chancellor took as an example that in fact it would not be impossible for a prisoner of war, a medical officer, or some other person protected by the Geneva Convention, to be killed after capture. Killing them would be a practical possibility but the signatories to the international convention had

renounced making use of the possibility of killing such persons in such cases. Indeed, they had stigmatized such actions as contravening international law. Therefore, although aviation existed, it should be equally possible to obtain a convention excluding a particular manner of using this weapon, despite the fact that it was possible to use it in this way. For instance, this could be done by adding to the existing Red Cross rules. But in this case, too, it would be advisable not to place in the forefront such things as presumably could not be achieved at the present moment, but to confine the agreement to what could be achieved, for instance to prohibiting the use of gas and incendiary bombs. Here he was for a prohibition on principle, since such attacks would also strike at women and children, and since it was not possible to provide effective protection against them for the civilian population. Secondly, one could consider the possibilities of restricting bombing in case of war to certain fighting zones and, if that could be done, one could then see if a total prohibition of bombing could be obtained. He was convinced that such a regulation had nothing to do with the technical possibility of bombing *per se* but would find expression in the solemnly expressed will of all the signatories to the agreement to make no use of such [technical] possibility.

Simon thanked the Chancellor for these statements, which he would report to his Government and discuss with other Governments. He undertook to communicate with the German Government again on the matter.

Simon then proceeded to sum up in conclusion:

He said that the conversations had begun with a mutual promise to be absolutely frank. The conversations had in fact been carried out in full frankness and friendliness. He expressed his thanks for the opportunity for this, and for the reception which he and his colleagues had met with in Berlin. To observe this frankness to the end, he must admit that he had been somewhat disappointed that it had not been possible to arrive at a greater measure of agreement. He regretted that such difficulties existed on the German side in connexion with individual points discussed. But he did not at all regret coming to Berlin. He was, furthermore, convinced that direct conversations were much the best way to a general understanding. Though he regretted that it had not been possible to do more to arrive at the general understanding which both sides desired, this was perhaps because matters dealt with at close quarters appeared much more complicated than the average well-wisher believed. Nevertheless much had been gained by frankly getting to know the German views. He hoped that the German side were also pleased at having learnt the views of the British Government. Where difficulties still remained, he would report to his Government, and do his utmost to come to a general understanding. He would take away with him only pleasant

memories of this conversation and again expressed his thanks for the friendliness and hospitality shown to him.

The Reich Chancellor assured Simon and the other British delegates that it was for us to thank them for having accepted our invitation. He was happy to have had a conversation with representatives of the British Government, and in his name and in the name of the Government and of the German people he thanked them not only for their visit, but also for enabling him, in a two days' discussion, to inform them of our views on the most important aspects of international affairs. He took this opportunity again to convey his gratitude for the loyalty and generosity displayed by the British Government over setting the date for the solution of the Saar problem, and in their whole attitude towards the settlement of the Saar question. He especially wished to express his thanks for the conduct of a British officer of the International Police who by his loyal intervention had prevented the occurrence of an act which, had it succeeded, would have caused serious complications.³⁶ He referred to Major Hennessy.³⁷ The Reich Chancellor had tried to give a clear and accurate picture of the German views. He hoped that the British representatives had not derived the impression that Germany at heart did not wish to take part in European solidarity and cooperation. Rather he hoped that Simon would take with him the conviction that Germany was certainly willing, only that it was immeasurably difficult for him to lift up again a nation with so depressing a past as that of the last sixteen years to that level of equality of rights which the other Powers had possessed *a priori*. He hoped Simon had gathered that he had taken up this historic task with the firm determination to perform it with honour, and that if he did not succeed in bringing a different and a new Germany into international agreements, then the value of these agreements could only be limited. The aim of the German Government was not the establishment of hegemony in Europe, which in any case would only remain a theory, but a community of nations in which Germany could take part as a nation with completely equal rights. If, in pursuit of that aim, some of the German demands might appear excessive, it must not be forgotten that he was striving for a solution which would endure not only for the year 1935 but for the distant future, and that without a fundamental revision of Germany's position a permanent solution was inconceivable. In his political life he did not feel himself to be a business man who joined a firm only to leave it shortly and then join it again. Once to his regret he had been compelled to announce Germany's withdrawal from the League of Nations. To return to the League was the honest desire of the German people and of their Government. But the conditions for such return must be

³⁶ The reference is uncertain.

³⁷ See document No. 524, footnote 7.

such that Germany would not be placed in a position where she was compelled to leave again for the reason that she lacked equal rights. He particularly asked the British representatives to believe that many of our objections arose simply from the feeling that if the present German Reich voluntarily assumed obligations then it must fulfil them more conscientiously than any other country in the interests of restoring our reputation which we had lost during the past sixteen years. Therefore we would not sign anything which we did not believe we could keep. And if we did sign an undertaking we would never break it. He again assured his British visitors that he was happy at and grateful for their visit as well as for the freedom and sincerity with which the conversations had been conducted on both sides.

No. 556

M106/M003830-35

The Chargé d'Affaires in Rumania to the Foreign Ministry

960 I c 4

BUCHAREST, March 25, 1935.

Received March 28.

II Balk. 770 R.

With reference to your telegram No. 33¹ of March 23 and my telegram No. 40² of March 23.

Subject: The Commercial Treaty and the contracts for deliveries of material.³

Since the Rumanian Government learned, from the reports of their Minister in Berlin, or possibly through listening in to the instructions on this matter given me by telephone, that we were going to give up our determination only to sign the Commercial Treaty once the contracts for deliveries of material had been regulated, Titulescu has refused to have any discussion with me. Since, moreover, he left some days earlier than was previously announced, that is to say on Sunday morning,⁴ I have been unable, in spite of the most vigorous efforts, to arrange for any further conversation with him.

I have therefore carried out the instructions given me by telephone on the evening of March 21,⁵ by sending a letter (of which I enclose a copy) to his private address on the afternoon of the 23rd with a request for an immediate reply.

¹ Document No. 551.

² Not printed (M107/M003847); this telegram reads: "With reference to my telephone conversation with Herr Clodius. As the Foreign Minister has so far avoided any further meeting with me and is apparently leaving tonight, I have carried out the instruction given me by telephone [no record of these instructions has been found] in writing. All departments are closing today until midday on Tuesday."

³ See documents No. 551 and No. 543, footnote 3.

⁴ i.e., Mar. 24; Titulescu visited Belgrade Mar. 25-26, Bratislava Mar. 27, and Paris Mar. 29.

⁵ See footnote 2 above.

On the evening of the 23rd I learned from the Minister of Commerce that the Treaty had meanwhile been signed without reservations. He read out to me the draft of his press communiqué and I advised him to postpone its publication at least until it was certain that the Treaty would enter into force even if the question of the deliveries of material had not been settled. He emphasized that the deliveries of material had not been mentioned to him again and said that he was therefore convinced that the Treaty would enter into force on April 1, whatever happened. He assured me that he would make efforts to reach an agreement in the question of the deliveries of material too. In a conversation between him and Titulescu, it had been agreed that all departments concerned (above all the Ministry of Finance and the Railways) would meet on Wednesday, March 27, for a joint discussion in order to formulate the attitude of the Rumanian Government.

Whatever may be the outcome of this discussion, it seems to me advisable in any case to make our request for application of the arbitration procedure without delay, in order that the Rumanian assurances, which have so far only been given verbally, should not be allowed to be forgotten.

The Sunday papers carry a report (an exact translation is attached) according to which Rumania, under the terms of the Commercial Treaty, will cease all direct deliveries of petroleum to Germany from April 1. I should be grateful for instructions as to whether this measure in fact accords with the spirit of the new Treaty and also, in any case, I should be grateful if you would send me a copy of the new Treaty soon, particularly in view of the fact that the courier scheduled for March 30 will not be available.

I hope to be able to carry out the instructions in your telegram referred to above with the Minister of Commerce on Tuesday, March 26.⁶ The Foreign Ministry do not expect the Under-Secretary of State back until the end of the week, since he had to accompany M. Titulescu as far as Belgrade.

POCHHAMMER

⁶ In despatch 1002 I c 4 of Mar. 29 (M106/M003837-39), Pochhammer reported on a conversation held with the Minister of Commerce on Mar. 27, when the latter formally countersigned the Commercial Treaty. The question of payments for deliveries of material was left open and agreement was not finally reached until April 1936. The relevant documents have been filmed on Serial K501.

[Enclosure 1]⁷

BUCHAREST, March 23, 1935.

MR. MINISTER: As a result of my most recent reports,⁸ in which I informed my Government of the point of view which Your Excellency was good enough to set forth to me during our conversation on March

⁷ In French in the original.

⁸ Pochhammer reported his conversation with Titulescu on Mar. 19 in despatch 921 I c 4 of the same date (K501/K142143-46).

19, I received new instructions on Thursday evening and I have tried repeatedly, but in vain, to arrange for a convenient time at which to carry them out with Your Excellency.

My Government, I believe I may say in agreement with the Royal Rumanian Government, are of the opinion that it will not, under any circumstances, be desirable to prolong the validity of our previous commercial agreements beyond April 1, and that it is therefore highly desirable not to delay the entry into force of the new agreement just concluded and initialled at Berlin.

Taking into account the difficulties which your Government are encountering over this question, and wishing to give fresh proof of their sincere desire to arrive at a practical solution, my Government have declared themselves willing to be satisfied, if your Government would undertake in writing to enter into negotiations for the purpose of settling the question of deliveries of material either by a friendly arrangement or by the arbitration procedure envisaged in the Treaty of June 19, 1930,⁹ and if your Government, in the latter case, would see to it that the arbitration tribunal was established and that its procedure was applied without delay.

Seeing that the agreement must enter into force next Monday, that is to say in two days' time, I should be extremely grateful for an answer from Your Excellency.

I avail etc.,

V. POCHHAMMER

⁹ Not printed (K501/K142153-59).

[Enclosure 2]

At the suggestion of the Minister of Commerce and Industry, the Government Trade Delegation have agreed that, in accordance with the agreement reached with the German delegates, the export of petroleum will no longer figure in the Commercial Treaty with Germany. From March 31 of this year all supplies of petroleum for Germany will therefore cease.

No. 557

8025/E577718-19

The State Secretary to the Embassy in Italy

Telegram¹

IMMEDIATE

No. 74

BERLIN, March 26, 1935

Despatched by air courier, March 27—8:00 a.m.

[zu] III O 1299.

With reference to your telegram No. 68.²

¹ Marginal note: "To be despatched by air courier on Min[isterial]dir[ektor] Dieckhoff's instructions. Schultz, Mar. 26. (Cypher Bureau)."

² Document No. 558.

Italian distrust of German activities in Abyssinia is totally unjustified. Already some months ago, when some former German officers submitted offers to enter Abyssinian service, we intervened to prevent this and we have, from the start, preserved the strictest neutrality in the Italo-Abyssinian conflict. The former Minister, von Schoen, the Chargé d'Affaires *ad interim*,³ and the present Minister, Kirchholtes, have definitely rejected all attempts by Abyssinia to obtain political, economic or moral support from Germany against Italy. Although it is true that Steffen⁴ is at present in Addis Ababa, his presence there is due in the first place—as the Legation in Addis Ababa reports—to his being the Abyssinian Consul General in Berlin. Apart from official business, he is dealing with supply questions which, however, only serve to promote the general exchange of goods and in no way depart from the line of strict neutrality.

Reports to the effect that Minister Kirchholtes, who arrived in Addis Ababa a few days ago and is shortly to present his credentials, gave assurances to the Emperor in a private audience about Germany fully supporting Ethiopia, and in particular about sending instructors for the army and air force, are obvious inventions. Please contradict any such suspicions most emphatically.

I leave it to your discretion to make use of the following further points: Agents of other countries have for months past not only been carrying on negotiations in Abyssinia concerning the supply of arms, but have almost reached the stage of concluding contracts. These are: France, Schneider-Creuzot mountain artillery; Brandt, Paris, Stokes mortars (some already delivered); Belgium, Fabrique Nationale, 280 machine guns with ammunition (first deliveries already made in December last); Czechoslovakia, Sellier Bellot, 4 million cartridges; Switzerland, Oerlikon anti-tank and anti-aircraft guns (the greater part of which were delivered at the beginning of 1935); Denmark, Madsen machine guns.

BÜLOW

³ Dr. Willy Unverfehrt.

⁴ Hans Steffen, Abyssinian Consul General in Berlin.

No. 558

8025/E577716-17

The Ambassador in Italy to the Foreign Ministry

Telegram

No. 68 of March 25

ROME, March 26, 1935—2:00 a.m.

Received March 26—3:25 a.m.

III O 1299.

After his return from Paris Suvich asked me to call on him in order, apart from giving me some information about the political situation,

which I am sending you by separate telegram, to tell me, on the instructions of the Head of the Government, that numerous reports had been received to the effect that Germany appeared to be pursuing her own interests in Abyssinia. Apart from contracts for the supply of arms, and especially a recent one through Major Steffen¹ for a large number of armoured cars, the Italians had received reports that the new German Minister,² on the day before he presented his credentials had been received by the Emperor in private audience and had given the Emperor comprehensive assurances about Ethiopia being fully supported by Germany, both diplomatically and practically, especially by sending instructors for the army and air force. I replied that I knew nothing at all of such support; as far as I knew Germany was entirely neutral and I therefore considered this information most improbable. Suvich replied that it came from a very good source. I promised to transmit it to Berlin, and I request instructions.

Concerning the situation in Africa, I asked Suvich what Italy's acceptance of the arbitration procedure implied.³ Suvich stated that it was not the arbitration procedure as such, but the procedure on the strength of Article 5 of the Abyssinian-Italian Treaty⁴ which had been accepted. This Article expressly provided for three phases, namely direct negotiations, conciliation and finally arbitration procedure. They were still in the first phase, and though Abyssinia might describe the present negotiations as pointless, yet Italy would still have to insist, precisely on the basis of the above-mentioned Treaty, that this method be exhausted.

HASSELL

¹ See document No. 557.

² Dr. Hans Kirchholtes.

³ In a telegram to the Secretary General of the League of Nations dated Mar. 22, 1935, the Italian Government had stated that, whilst not considering the phase of direct negotiations to be at an end, they were prepared, in conformity with Article 5 of the Treaty of 1928 (see footnote 4 below), and should agreement fail to be reached in direct negotiations, to take steps forthwith with a view to the constitution of the [arbitral] commission provided the Ethiopian Government did likewise (see League of Nations *Official Journal*, May 1935, p. 573).

⁴ The Treaty of Amity, Conciliation and Arbitration, concluded between Italy and Ethiopia on Aug. 2, 1928; for the text see League of Nations: *Treaty Series*, vol. xciv, pp. 413-417. Article 5 of this Treaty provided that: "Both Governments agree to submit to a procedure of conciliation or arbitration the questions which may arise between them and which it may not have been possible to settle by normal diplomatic means without having recourse to armed force. Notes shall be exchanged by mutual agreement between the two Governments regarding the method of appointing arbitrators."

No. 559

7467/H182153-54

The Ambassador in Italy to the Foreign Ministry

Telegram

No. 69 of March 25.

ROME, March 26, 1935—2 a.m.

Received March 26—4:15 a.m.

II Abr. 644.

During my today's conversation with Signor Suvich, who has just returned from Paris,¹ he indicated that the British Ministers in Berlin² were speaking in the name of Britain only, and furthermore, as has indeed been publicly announced, that they had only been charged with an exploratory mission. I made some remarks about the divergencies between the official communiqué³ and other reports, such as that of the Agence Radio, with regard to the extent to which there is agreement. Suvich replied that this was probably due to the argument about the word *solidarité*. While the Italians could translate it without further ado, the British had said that "solidarity"⁴ was a mistranslation, so they had put "unity of purposes".⁴ When I indicated that I had no great hopes of the session of the League of Nations which was to take place four days after Stresa, Suvich replied that such a session would only have any point if it were decided at Stresa that the results of the English Ministers' journey had been entirely negative. I indicated that at this precise moment Mussolini's warlike speech⁵ was somewhat surprising, coming as it did on the day that the 1911 class was called up. Suvich said that the call-up had been planned some time ago and had only coincided with the speech by chance. It must be remembered that the speech was in the nature of a Party manifesto; furthermore, its object had been to underline the fact that Italy, even if she were to a certain extent engaged in Africa, remained armed [*gerüstet*] for European complications. I said that I found the fear of war in connexion with Germany, which was indeed to some extent apparent among the Italian public, totally incomprehensible. No sensible Italian could believe that we were planning a *coup* against Austria or an attack on Italy in some other way. Suvich replied that the Italian Government were indeed not entertaining such fears, but that Germany's action,⁶ immediately after she had declared herself

¹ Suvich had conferred with Laval and Eden in Paris on Mar. 23, before the visit of Simon and Eden to Berlin.

² See documents Nos. 555 and 564.

³ This was the official communiqué issued after the meeting in Paris on Mar. 23 (see footnote 1 above) in which it was announced that the British, French and Italian Foreign Ministers would meet at Stresa on Apr. 11 (see *The Times* of Mar. 25, 1935).

⁴ In English in the original.

⁵ Of Mar. 23; see *The Times* of Mar. 25, 1935.

⁶ See documents Nos. 507 and 532.

willing to negotiate with the Western Powers on the familiar basis,⁷ had caused such surprise that it was understandable that many people should still think it likely that there would be sudden German decisions. I said that these two things should not be linked together and reminded him of the extremely friendly reception accorded the English Ministers in Berlin, which had clearly also impressed Suvich.

HASSELL

⁷ See document No. 490.

No. 560

7792/E565972-73

*Note by an Officer of the Naval Command*DISCUSSION WITH THE FÜHRER AND CHANCELLOR ON THE AFTERNOON
OF MARCH 27, 1935

Present:

Chief of the Naval Command¹Chief of the Naval Ordnance Office²Lieutenant (Navy) von Puttkamer.³

The Führer gave an account of the negotiations with the British Foreign Secretary.⁴ On naval affairs he had, according to notes taken in the course of the discussion, spoken somewhat as follows:

Germany demands 35 per cent of the British tonnage. In answer to the British objection that this demand would have repercussions on France, the Führer emphasized that Germany recognized British naval supremacy because of the necessities of the British Empire; the same argument did not apply to France, and no kind of French naval superiority could be recognized.

The British Foreign Secretary took note of this, and then stated that Germany would be invited to the Naval Conference, and also to the preparatory talks which would probably be held shortly. He proposed that the German Ambassador in London together with naval experts should be appointed for the preliminary conference. (In this connexion the Führer told the Chief of the Naval Command that he would entrust Herr von Ribbentrop with the leadership of the delegation.)

The British Foreign Secretary then stated that at the preliminary conference Britain would adopt new tactics and would negotiate about construction programmes rather than about ratios.

The Führer remarked that this method of approach was unacceptable to Germany since Germany as a disarmed nation must naturally, in

¹ Admiral Erich Raeder.

² Rear Admiral Karl Witzell.

³ Naval Adjutant to the Führer.

⁴ See document No. 555.

order to achieve equality of rights, have very large construction programmes. The British reply to this was that methods could be the subject of discussion at the preliminary conference.

The Führer reverted later to the question of the Conference in order to make it absolutely clear that Germany's willingness to participate in the Conference did not mean that she was willing to bargain about her demand for 35 per cent of the British tonnage. Germany claimed full sovereignty, and within the framework of what she had demanded would as a sovereign Power build up her fleet as she considered necessary. Naturally the process of construction would take a number of years. The British Foreign Secretary took note of this declaration.

In accordance with the Führer's wishes, the build up of the Navy would take place according to plan. There should be no big public announcements, so as to avoid complicating England's difficult situation *vis-à-vis* the other Great Powers. The watchword should be: Go ahead and keep quiet. In any case England was fully informed.⁵

VON PUTTKAMER

⁵ This document is marked as having been seen by Hitler.

No. 561

9172/E645134-35

Memorandum by the Director of Department IV

BERLIN, March 28, 1935.

W IV Po. 2158.

The Polish Counsellor of Embassy called on me today and raised the question of the remaining payments by the German Reich Railways which are still outstanding.¹ By March 18 the arrears had amounted to 16 million Zloty (see enclosure).² I replied that non-payment was due in the first place to the fact that the Polish Government had caused a serious deterioration in the German trade balance. Germany had suddenly been deprived of the autonomous quotas, and, moreover, the Barter Agreement³ had not worked, since Poland had not in fact imported German goods. I suggested that, in continuation of the previous discussions between Ambassador von Moltke and Minister of Commerce Rajchman,⁴ the whole range of questions, the trade balance and the balance of payments, and in particular payments under Article

¹ See documents Nos. 419 and 487.

² Not printed (9172/E645136).

³ See document No. 487, footnote 4.

⁴ In report No. 2784 W of Dec. 18 (9389/E665294-98), Moltke reported on a conversation with the Polish Minister of Commerce which had included the subject of the railway arrears, and stated that he expected that this conversation would be resumed in January. No record of any such further conversation has been found.

218 of the Geneva Convention⁵ and payments of railway arrears, should be settled as soon as possible.

Prince Lubomirski replied that the question of the trade balance was entirely independent of the payments arising from rail traffic. I replied that in themselves these matters were of course independent of one another, but that trade provided the foreign exchange from which the other payments were made; I promised to inform President Schacht of the Polish Embassy's *démarche*, but I added that, from what I knew of the matter, President Schacht would not be in a position to make good the railway arrears unless trade relations had been settled.⁶

MEYER

⁵ i.e., the German-Polish Convention on Upper Silesia (see document No. 210, footnote 6).

⁶ Further documents on this question will be found in vol. iv of this Series.

No. 562

9375/E664181-84

Memorandum by an Official of Department IV

BERLIN, March 28, 1935.

e.o. W IV Ru. 1186.

The German-Soviet economic discussions¹ have led to agreement in principle, but in the preparation of the final draft, which was done in the Reich Ministry of Economics, fresh difficulties have arisen which threaten the whole of the agreements and which could lead to a total severance of German-Soviet economic relations.

The German side promised the Soviet side Soviet imports to Germany to the value of 100 million RM. This sum included 40 million RM worth of goods chosen by the Germans and 60 million RM worth of goods on the basis of a Soviet proposal which was accepted by the German side. The Germans are demanding that payments for those goods which will be allowed to be imported into Germany should be subject to the machinery of the supervisory offices, primarily in order that reductions of prices can, if necessary, be demanded.

The Soviet side stated that they could not, under any circumstances, permit a revision of contracts concluded before February 15, the date on which the Soviet Union was included in the New Plan.² In the Soviet Union, foreign trade was a function of the State. The Soviet Government felt obliged to abide by the contracts they had concluded with private firms abroad and could not agree to have these contracts arbitrarily changed by the unilateral action of a foreign Government.

¹ See documents Nos. 181, 505, 529 and 546.

² See document No. 494.

The Soviet Government had also abided by such contracts as had, in the course of time, proved disadvantageous to them. Thus, last autumn, the Soviet Government concluded contracts for the supply of flax to Germany. Meanwhile the prices of flax had risen by 20 per cent. Nevertheless, the Soviet Union continued to supply flax at the lower price. It was self-evident that the German desire to revise supply contracts already concluded would be answered on the Soviet side by a revision of all orders placed in Germany, but not yet completed. The Soviet Government would in this connexion not hesitate to refuse to honour their bills of exchange and if necessary sanction this measure by a special law. The price reductions were also unacceptable, since the contracts already concluded constituted the basis for the financing of the trusts by the State Bank. The Trade Delegation could be held responsible by these trusts for any loss incurred. The Soviet State's planned economy could not tolerate such interference by foreign Governments.

It must be admitted that the regulation of imports envisaged in the New Plan does not take sufficiently into account conditions in the Soviet Union, which differ from those of all other countries. The Soviet State, as bulk buyer and seller, is in a position to meet measures taken against it in the field of exports, with similar measures in respect of its import operations. Subjection of the contracts already concluded to the system of supervisory offices implies, in the case of the Soviet Union, not State intervention in private business between German and foreign trading firms, but direct intervention in a State system of trade. Further, the Soviet Union object that in order to avoid excessive prices the German Government could have given their firms appropriate directives, but that it is not possible to make good their failure to do so retrospectively by taking measures against the Soviet Union. This objection is not without some justification.

The goods to be imported from the Soviet Union are almost entirely raw materials, in the import of which we are extremely interested. As far as is known here, in the big contracts concerning supplies of naphtha, timber and furs, no excessive prices have been agreed. But if these big contracts are not challenged by the German side, the possible saving that might be effected by revising the prices of the remaining imports would scarcely amount to a few millions. Excessive prices are said, in the first place, to have been agreed on in the case of imports of manganese ore and bristles. The quantities of imports of these two categories of goods amount in each case to approximately 3 million RM. Where amounts of this size are involved, the proposed reduction of price is quite out of proportion to the damage which must result from the collapse of the German-Soviet economic discussions. Not only would the [Soviet] orders, as has already occurred as a result of the delay, be placed in other countries, but lack of the imports of raw

materials from the Soviet Union would in the very near future lead to extremely serious consequences for Germany. Furthermore, Germany would lose 100 million RM in gold since the Soviet Union, even if she were to honour her bills, would procure the requisite means of payment by buying Reichsmark abroad.

Germany's exclusion from business with the Soviet Union would occur at a moment when France is negotiating with Russia about a commercial treaty, England is at great pains to extend her economic relations with Soviet Russia, and Czechoslovakia and Greece have concluded commercial treaties with the Soviet Union. Should German-Russian economic relations be broken off, it would take many years to retrieve Germany's position on the Russian market.

BRÄUTIGAM

No. 563

7467/H182227-28

The Ambassador in Italy to the Foreign Ministry

Telegram

No. 73 of March 29

ROME, March 29, 1935—7:00 p.m.

Received March 29—9:30 p.m.

II Abr. 680.

Conversations with Suvich and other important political and military persons convey the following impression of the atmosphere here:

A very serious view is taken of the way the situation is developing. Suvich has returned from Paris¹ with the impression that public opinion in France is becoming more bellicose and that this mood is spreading to those broad masses of the people who have hitherto been against any solution of the conflict by force. The pessimistic outlook which prevails here has been much heightened by the latest reports from London, which allege that Simon's visit² has proved entirely nugatory and that the prospects for a negotiated settlement are almost equally vain. Moreover, Italo-French friendship is said to be growing apace, with Italy slipping further and further away from Britain's traditional sphere of influence, and beginning blindly to follow directions from Paris. Italy is constantly subjected to powerful political and military pressure from Paris, which results in growing Italian approval of French agitation against Germany and in public opinion becoming increasingly bellicose. Even in the Foreign Ministry a

¹ Suvich had conferred with Laval and Eden in Paris on Mar. 23, before the visit of Simon and Eden to Berlin.

² See documents Nos. 555 and 564. See also Simon's statements in the House of Commons on Mar. 28 (*Parl. Deb., H. of C.*, vol. 299, cols. 2083-2084).

military clash with Germany in the near future is described as inevitable. Stresa,³ it is said, will lead to a close coalition against Germany and to critical developments in Europe culminating in war. I learn from a reliable source that even Mussolini, who, in view of the action he may be expected to take against Ethiopia during the next twelve months, would naturally prefer to avoid warlike developments in Europe, sees no other way out unless Germany changes course at the eleventh hour. This accords with the way public opinion is being officially influenced against Germany as the mischief-maker of Europe by means of the press and other methods of moulding opinion on the French model as well as by the harsh administrative and police measures which are being applied to awkward Reich nationals. The outlook as a whole can only be described as grave, even when allowance is made for the boastful methods usual in this country, for certain considerations of domestic and economic policy and for the fact that the rumours of war are mainly attributable to a campaign of intimidation undertaken against Germany at the behest of France.

HASSELL

³ The official communiqué issued after the meeting in Paris on Mar. 23 (see footnote 1 above), had announced that the British, French and Italian Foreign Ministers would meet at Stresa on Apr. 11 (see *The Times* of Mar. 25).

No. 564

7487/H182183-219; 221-22.

*Circular of the Foreign Minister*¹

BERLIN, March 29, 1935.
e.o. II Abr. 673.

The Press has already reported exhaustively on the public course taken by the visit of the British Ministers to Berlin, the length of the conversations at the various receptions, and so on. The protocol and social side went according to plan, to the complete satisfaction of all concerned.

The political side too went according to plan and came well up to expectations, that is to say all questions for discussion were dealt with in detail and the views of both sides set forth clearly.² Naturally a considerable number of points of difference emerged, and concrete agreements did not, of course, come into the question. None of the points of difference is, however, in our view, such as to provide an insuperable obstacle to a general understanding. That the visit was a success commensurate with our hopes may also be attributed to the

¹ Addressees were all the principal German Missions and the Consulate at Geneva.

² See also document No. 555.

fact that the English Ministers obtained a very much greater understanding of our views and intentions and that the Ministers, particularly Sir John Simon, acquired a sincere admiration for the Führer and Chancellor, who in the main conducted the negotiations himself and who impressed the British in particular by the frankness and skill of his expositions as well as by his full mastery of all the various points under discussion.

The carefully worded joint communiqué gives the results of the conversations in appropriate, though naturally general and abstract terms. In drafting it we also paid attention to the position of the British in relation to other countries so as not needlessly to prejudice their position in further negotiations.

The following may be said in detail about the negotiations:

In introducing the *general discussion*, Simon said that England was striving to safeguard peace through the collaboration of all European States, including Germany, since otherwise Europe would be divided into two camps with the inevitable result entailing the formation of blocs and encirclement. In this connexion Simon pointed out that British public opinion was not hostile to Germany, but was seriously disturbed by three facts, namely by Germany's withdrawal from the League of Nations, by the events in Austria and by our unilateral measures (the German defence law). He hoped to obtain clarity about the situation through frank discussion.

The Führer and Chancellor for his part welcomed the British visit and the method of frank discussion. He hoped that the result would be comprehensive understanding for Germany. His great object was to raise up again the German people, who had been struck down by immeasurable disaster, and to make them happy. For the accomplishment of this, his life's task, he hoped for the maintenance of peace. The resurrection of Germany was a task of an economic, a political, and a moral nature. Our economic measures were of a purely domestic character and could at most only interest other countries in so far as they related to our purchasing power. The political measures consisted in a reorganization [*Neuordnung*] of the people and need not interest the other nations. It was only the moral rehabilitation that affected other peoples. It was unjustly assumed that Germany was under a dictatorship. The people's will determined the principles of German policy. In the matter of moral rehabilitation, all Germany stood behind him and would not permit any deviation from the course of restoring national honour. Germany welcomed the solidarity of all peoples and was herself making efforts towards this. But the fifteen years of sad memories must be blotted out. Solidarity was only possible between nations enjoying equal rights. Germany's objectives threatened no other country. The National Socialist State was not expansive, which could not be said of those other ideologies which

deliberately pursued internationalism. He had freed Germany from these ideologies, but the dangers inherent in them persisted. Germany had no interest in imperialism, from which she could expect nothing politically. Nor was it his intention to acquire foreign territory, which would merely add to rather than lighten his own difficulties in satisfying the needs of our own sixty-eight million people. Germany had done nothing which constituted a threat to the territory of anyone else. In reply to definite points about which the British were troubled, the Chancellor explained that 94 per cent of the German people had approved Germany's withdrawal from the League of Nations, but he thought that a League of Nations in which Germany could take part on a footing of parity would be desirable. Germany had not threatened Austria and had not interfered in Austria's internal affairs. The Austrian difficulties arose from the régime in power there, which was in opposition to the majority of the people. Germany could not have close relations of friendship with a State which abused the Reich and its political ideas. The position was the same with Lithuania. It was intolerable that a little State could oppress 100,000 Germans, but here too we were not thinking of using force and would welcome it if this problem could be settled through international intervention.

As far as the armaments question and the violation of the Treaty of Versailles were concerned, he considered the moral defamation a violation of morality, and he had never concealed the fact that in this respect the Treaty must be set aside. On the other hand we still respected the territorial provisions of this Treaty. It was in this connexion that the Führer and Chancellor made the remark which has, through indiscretions, also reached the press, namely that at the battle of Waterloo, Wellington did not protest at being supported by Prussian soldiers who had been trained in violation of the Treaty of Tilsit. Germany had no interest in sabotaging collaboration between the European States in any way. It was unjustly stated that we wanted to separate Britain from France. He had invited France five times to direct conversations and had given her the declaration about liquidating all territorial questions, which was something that France had never done after 1870; he had never received an answer to this from Paris. He now hoped to further understanding by discussions with the English Ministers. In the interests of the peace of Europe, he was prepared to be accommodating on all points except for the one point of German honour.

Simon gave assurances that British public opinion understood German aspirations and feelings. He took grateful note of the fact that there was no question of attempting to separate England from France, which would run counter to English ideas about international collaboration.

In the discussions of the Eastern Pact which followed, Simon

stressed how great was British interest in the arrangements for collaboration between the East European Powers, but he also pointed out that the original proposals had not been made by Britain and that the British Government also had objections to make to them. Certain English objections had already been taken into account. He requested to know the German views about the obligations of non-aggression and consultation, and about the question of mutual support.

The Führer and Chancellor once more explained Germany's interest in maintaining peace, since she could gain nothing from a war, but on the contrary was more vulnerable than her Eastern neighbours, in particular to air attacks. He drew attention to the existing treaties, in particular the German-Polish, Russian-Polish, German-Czech and the Russian-Baltic States, and also pointed out the fact that Germany and Russia had no common frontiers. On the other hand, Russia was the State which could most easily start a war because she was herself least vulnerable in a war. We must add to this her intention, openly proclaimed, of bringing about world revolution. Russia's interest in the Eastern Pact could primarily be explained by her desire to relieve her situation in the Far East. He thought that the conclusion of bilateral non-aggression pacts would be the most effective solution. He was prepared to extend the number of these treaties and only made an exception of Lithuania, not because he intended to wage war on Lithuania, but because he could not conclude any treaty with a country that was behaving as badly towards Germany as Lithuania was doing. But he was also ready to conclude a treaty with Lithuania as soon as the guarantors of the Memel Convention had restored autonomy in Memel.

The British were inclined not to take the danger from Russia very seriously. Eden said that Bolshevism was merely an internal Russian problem, not an international one. Although he admitted that Germany was especially vulnerable to air attack, nevertheless even today wars could still only be won on land. As Simon had previously done he expressed the desire to see an agreement for Eastern Europe which would be similar to the Locarno Pact and asked whether Germany would be ready to include bilateral treaties in a multilateral overall treaty.

The Führer and Chancellor replied that it was precisely the Bolshevik danger which made European solidarity appear necessary. As to land warfare being decisive, Russia had precisely the same possibilities of building up her army as her air force. In ten years Russia might represent an overwhelming military power. He was in principle in agreement with including all the separate non-aggression treaties in a multilateral pact.

Furthermore he was in agreement both with the non-aggression obligation, and with the obligation to consult, but he declined the

obligation of mutual assistance. This obligation could not be applied in practice owing to possible differences of opinion in defining the aggressor. Ultimately it was a matter of returning to the old defensive alliances of the pre-war period, that is to say, organizing war. By a skilful policy one's opponent might be made to appear the aggressor and one might claim assistance, whereas in reality one was oneself the aggressor.

When Simon held up the model of the Locarno Treaty, the Führer and Chancellor replied that the practice of the last fifteen years, and in particular in the League of Nations, had shown that the weaker State was always wronged, whereas the stronger State was held to be in the right. On the question of obligations to render assistance, the stronger State could count on a favourable verdict and on receiving assistance from others, if only on account of the interest of the other States in localizing the conflict. Within the system of Locarno, the problems were predictable but in the Eastern Pact the number of possible cases of conflict was much larger and the oppositions and interests were much more unstable. He could never lead the German people to a battlefield where, for unknown reasons, unknown causes were being fought out. He had made his great and difficult renunciation of Alsace Lorraine for the sake of peace and to save his people further bloodshed. He could not sacrifice German youth in the East for territories which did not interest Germany at all. He could not conclude any treaties which he might not be able to keep. In two possible cases of conflict the rendering of assistance would also have to take place across German territory, and we should have the war brought into our own country without having any responsibility whatever for the war. No one in Germany would ever be prepared to come to the aid of Russia; people were much more afraid of Russian help than of a French attack. Germany did not want a war with Russia, but he could not commit himself to rendering assistance to Russia as the people simply would not march. On the other hand, Germany was ready to assume negative obligations, for instance, not to support the aggressor.

Sir John Simon asked whether the Eastern Pact would be more acceptable to us if we were to be exempt from the obligation to render assistance. The Führer and Chancellor rejected this idea. The British were left in no doubt that we looked upon the obligation to render assistance contained in the Eastern Pact, whether it were made general or optional, as nothing but a disguised Russo-French military convention for the purpose of using Russian air power against Germany. The Russian air base was already being prepared in Czechoslovakia, as was shown by the construction of a large number (from 20 to 25) of air fields which went beyond possible Czechoslovak requirements. For Germany to take part in an Eastern Pact of this sort would simply represent a legalization of the Franco-Russian military alliance, which

would increase rather than diminish the danger of war. Special military pacts, as the Führer and Chancellor went on to say, could only lead to the formation of blocs of allied Powers, that is to say, to agreements which would be contrary to the sense and the spirit of a true League of Nations.

In connexion with the discussion about the Eastern Pact, the British Ministers were given a short memorandum (see enclosure) setting down under five headings what, in the German view, should be the terms of a realizable and effective Eastern Pact. When the British asked whether we were ready to answer the most recent French *aide-mémoire* about the Eastern Pact, we replied in principle in the affirmative. Since, however, the Eastern Pact has been linked up with other points to form a whole in the London communiqué of February 3, the above statement of the German views should suffice for a continuation of the discussion.

The same policy applies to the Danubian Pact. Here too the British asked whether we would in our turn reply to the French and Italian replies to our enquiries. Otherwise the British did not say much in favour of the Danubian Pact. The Führer and Chancellor explained our relations with Austria at some length. He drew attention to our political ties up to 1866, to our common literature, poetry, music, science, legal concepts, historical traditions, and our common political ideas, as well as to the many ties of kinship between the two countries, to the large number of Reich Germans in Austria (160,000) and Austrians in Germany (275,000), all factors that had to be allowed for in considering the German-Austrian problem. No one in Germany was thinking of annexing Austria, of incorporating her by force or of diminishing the Austrian right to self-determination. The difficulties between Germany and Austria had arisen from the fact that National Socialism had conquered the nation in Germany, whereas in Austria a counter organization had arisen which was financially dependent on Italy and related to Italian Fascism. This had given rise to the conflict within Austria and the Austrian counter organization had rendered it impossible for the will of the people to find uninfluenced expression. It had driven more than 40,000 Austrians as *émigrés* to Germany, which was a larger number than the total number of German *émigrés* in Paris, Prague, Holland, etc. Moreover the Germans in Austria were constantly turning to their relatives in the Reich. We now had the influence on Austria of both the Reich Germans in Austria and the Austrian *émigrés* in Germany, who wished to have a different Government in Austria; thus the conception of interference or non-interference was not easy to define. The German *émigrés* were constantly issuing publications of all kinds, directed against Germany and advocating the overthrow of the National Socialist régime, although inside Germany itself this régime enjoyed a majority of nine out of ten. The

Governments of the countries to which these *émigrés* had gone said that they were unable to stop these activities, but at the same time Germany was reproached because the Austrians in the Reich were doing the same against Austria. It was his conviction that the Austrian *émigrés* would lose any moral foundation as soon as there was a régime in Austria which represented the will of the people, irrespective of what this régime might be. His desire was to see Austria disappear from the chess-board of international politics, so that she could settle her own problems in her own way, but this would require other States to refrain from interference in internal Austrian affairs.

I, for my part, underlined the fact that the definition of the concept of interference was the main difficulty in the Danubian Pact, and I explained this with the aid of the practical examples which are dealt with in despatch II Oe. 655 of March 11, 1935.³

Mr. Eden recalled the negotiations conducted in Geneva following the assassination of the King of Yugoslavia. Simon recognized the difficulties of defining concepts and welcomed our willingness in principle to conclude a pact of non-intervention. On our side we stressed that working out the proposals was the business of those States who had taken the initiative. Simon promised me he would try to work out a clear definition of concepts.

On the problem of the League of Nations, Simon, as was expected, said how greatly the British Government were interested in the League of Nations. He drew attention to the possibility of international discussions in Geneva, and reminded us how rapidly the international police force in the Saar Territory had been formed and of the settlement of the Yugoslav-Hungarian conflict. England had no intention of misusing the League of Nations and of playing it off against other countries. It was one of the main purposes of his visit to bring Germany back to Geneva. He placed himself at our disposal as an honest broker.

The Führer and Chancellor replied that, after the disillusionment over Wilson's fourteen points and the linking up of the League of Nations with the Treaty of Versailles, the question of the League of Nations had become one of the most difficult for us. The Peace Treaty and the developments of the post-war period had created two classes of States. The League of Nations had identified itself with these developments, and this had now become intolerable for every decent German.

Eden too stressed England's confidence in the League of Nations, which he said had become an indispensable instrument in the modern world. There was no other alternative but a return to the system of alliances which had led to the World War. He suggested that the

³ Document No. 524.

Covenant of the League of Nations should be separated from the Versailles Treaty, an idea which Simon also took up.

The Führer and Chancellor replied that such a form of settlement would not go to the root of the matter. As he had already said in May 1933, Germany would not take part in any conference as long as she remained a nation with inferior rights. We had ourselves been able to remove our inferiority in the military sphere. The territorial questions did not affect the problem of inferior rights and he knew that it would endanger peace in Europe to touch upon them. But if, for example, Germany were to return to the League of Nations whilst Japan remained outside it, then Germany would still be considered incapable of administering colonies, whilst Japan, without belonging to the League, would be in possession of former German colonial territory. This showed that Germany was regarded as inferior, a circumstance which was to the advantage of nobody in the whole world. The fact that the material value of colonial possessions for Germany was disputed was not the point that he was bringing up for discussion, but simply the moral aspect of the question with the principles involved. The Führer and Chancellor further explained his views with the aid of charts and statistics, in order to show that the population of Germany did not have enough economic living space. He further showed that it was in Britain's own interests not to make Germany a pariah among the nations, but, rather, to draw Germany into her own spheres of interest. To secure German-British collaboration might be of inestimable value for the future of Europe. In the colonial sphere collaboration between the two countries would be indispensable for the defence of possible future German colonial possessions, and this too could be useful for future European developments.

Simon did not reject these ideas in principle, but pointed out that good relations with Germany must not prejudice Anglo-French friendship. He promised to study the colonial question carefully, but said that the mandates were not at the disposal of Britain but of the League of Nations.

The Führer and Chancellor closed this part of the conversation by observing that he agreed with what Simon had said about Anglo-French ties, and that, in respect of colonies, he had no intention of encroaching on foreign possessions.

The discussion of the disarmament questions opened with Simon inviting us to send German technical experts to London for preliminary negotiations to be held soon, in advance of the general conference on disarmament at the end of 1935, an invitation which was to be without prejudice to possible general agreements in the sphere of armaments in the sense of the London communiqué of February 3. Similar negotiations had taken place with the representatives of the United States, France and Italy and, in the course of these negotiations it

had emerged that the most promising method was not to draw up ratios of naval strengths, but to study the possibility of negotiating about the naval construction programmes of the various Governments for a given number of years. In the other negotiations the period envisaged for the duration of the agreements had been up to 1942. He requested information about German plans in respect of naval armaments.

The Führer and Chancellor described the English proposal as something quite new and drew attention to the maximal figures in the Washington Convention. A proposal to refrain from new naval construction during a prescribed period would be to Germany's disadvantage and would make her equality of rights illusory.

After Simon had given further explanations, the Führer and Chancellor said he was prepared to take part in the preliminary discussions. He said further that Germany was not thinking of entering into an armaments race with England, but, in view of the uncertain outcome of the conference that had been announced, he must reserve freedom to secure the necessary means of defence for Germany.

Simon replied that the preliminary conversations would only prepare for a future settlement but were not intended to remove the existing provisions (of the Versailles Treaty). Regarding Germany's intentions in respect of armaments, he pointed out that the figure of 35 per cent of the British naval strength, which had previously been mentioned to the British Ambassador, appeared too high to his Government; it would render general agreement almost impossible, and would release a general competition in armaments. France would strengthen her navy and thus compel other countries, and finally England too, to increase their armaments, the more so as Germany would acquire a large number of the most modern ships.

The Führer and Chancellor replied that Germany's offer of 35 per cent meant that Germany recognized England's absolute primacy at sea in principle and for ever, but he could not accept French or Italian supremacy in naval armaments. In view of Germany's long coastline and special requirements in the Baltic, and particularly in view of the severance of East Prussia, Germany's naval interests were no less than those of these other countries. Nor was it entirely a matter of new ships, since they could not be built very quickly, and moreover Germany would for a long time have the ships built according to the provisions of Versailles, which entailed cruisers that were too slow and battleships that were not sufficiently strongly armed. Moreover, he attached importance to explaining the full extent of his claims, as he was not thinking of immediate provisions, but of the requirements of the future.

The English also objected to the German Defence Law, as was to have been expected. Eden said that the announcement of the

introduction of universal military service had created new difficulties, and the basis of thirty-six German divisions would make agreement impossible. He then put various questions about the strength of the various divisions, the total strength of the army, length of service, etc.

The Führer and Chancellor illustrated the strength of the armies of the other countries with the aid of charts and diagrams which had been prepared, and explained to the British that the thirty-six German divisions comprised not only infantry divisions but also cavalry divisions, motorized divisions and Landwehr divisions with short-term service. Calculated by the same method, France had thirty-four metropolitan divisions and ten divisions in North Africa. Four of our thirty-six divisions were in East Prussia, which was cut off. In fixing the figure of thirty-six German divisions, account would also have to be taken, in view of the French Treaties of Alliance, not only of the forty-four French divisions, but also of thirty-four Polish and seventeen Czech divisions, not to mention the 101 Russian divisions. The Führer and Chancellor furthermore drew attention to the demilitarized zone and the frontier areas in which we were not allowed to build any fortifications, and finally also to the fact that not only the German capital but also all German industrial centres were threatened by enemy bomber formations. The maximum strength of the thirty-six German divisions was set at 550,000 men. If Franco-German relations improved and settled down and a general reduction in armaments were reached, then we would gladly make corresponding reductions. Nothing would be changed in the demilitarized zone. The police troops outside this zone would be absorbed into the army. Our so-called para-military organizations would not, as in other countries, be trained with fire-arms. The military sections of the SS would form a substitute for the disbanded police formations.

Replying to a question by Eden, the Führer and Chancellor said that the thirty-six divisions would be armed in the normal way and that a certain quantity of war material would be required as reserve stocks. We claimed all the weapons which the others also possessed, but would accept any limitation that applied to everyone. In reply to a further question by Eden, he stated that we would not undertake not to manufacture weapons exceeding a certain strength so long as other Powers possessed stocks of such weapons, but were prepared to destroy our heavy weapons on the same day on which the other Powers did the same. To a question by Simon regarding our willingness to submit to a system of general supervision, the Führer and Chancellor replied in the affirmative. He pointed out in the further discussion that although Russia wished to develop her military forces on the basis of her tremendous population figures, Germany did not desire to use her population figures, which exceeded that of the Western Powers, in the same way, but was claiming parity. As regards the air forces, the

Führer and Chancellor said, in reply to a direct question from Simon, that we had reached parity with Britain but desired parity with France in this field and that it was our hope that the British would also for their part rearm in the air so as to be on a level with France. This demand was sufficient proof of how absurd was the talk of alleged German aspirations to hegemony.

With regard to the *Air Pact*, Simon explained that, according to the views of the British Government, this was to coincide precisely with the obligations arising from the Locarno Treaty. It would, therefore, only provide for obligations or actions in cases already provided for in the Locarno Treaty. The only innovation was that the parties to the treaty would undertake to render *immediate* assistance in the event of unprovoked *air* attacks without any previous consultation whatever, e.g., in Geneva, and that the immediate assistance was to consist of a Power employing its own air force. The obligation to intervene did not, therefore, in principle go beyond the Locarno Treaty, but defined the contractual obligation more precisely and made it immediately effective. Since the conclusion of the Locarno Treaty the danger of a sudden and violent attack from the air had become more imminent. It was not the intention of the British Government, in the event of a violation of the Treaty, to have punitive measures taken against the culprit by the other signatories, but their idea was rather to create such an effective deterrent by the provisions of the air pact that it would eliminate the temptation to violate the treaty. Simon said furthermore that it was not the wish of the British Government that the conclusion of the air pact should be regarded as tacit recognition of the justice of indiscriminate air attacks, for instance on densely populated industrial areas. They therefore suggested that it be considered whether it would not somehow be possible, perhaps in the preamble to the air pact, or elsewhere, to lay down in a general declaration by the contracting parties that they condemned, in principle, such attacks on the population. Simon added that the air pact should not contain any figures about the strengths of air armaments, which should, rather, be laid down in another treaty instrument which should, he emphasized, make it clear that the air pact would not be a self-contained instrument but would only be part of a general pact.

The Führer and Chancellor agreed unconditionally to the basic idea of the pact and especially to the condemnation of the bombing of densely populated areas. But he regretted that this was being linked with other questions. It was much better policy first to achieve what could be achieved and to shelve the more difficult questions which could not be solved at the moment. The conclusion of an air pact on a basis of parity would have an immediate effect. The contracting States would form a peace bloc and this would have a favourable influence on subsequent negotiations for disarmament.

Simon once again drew attention to the inter-relation of the various questions dealt with in the London communiqué of February 3; this did not mean, however, that discussion of the air pact need be postponed until all the other points had been settled. He welcomed Germany's attitude in the question of bombing and reminded the Führer and Chancellor that he had on a previous occasion spoken of a total prohibition of bombing from the air. He then asked what were Germany's views on the question of control of civil aircraft which could be used for military purposes.

The Führer and Chancellor advised once more against coupling matters capable of achievement with questions which were at present difficult to solve or which could not be solved at all. On the question of using civil aircraft for bombing, he said that it was not a question of preventing their use for military purposes but of an obligation not to make use of something which in itself could be used for military purposes. It seemed desirable to him to prohibit completely the use of gas and incendiary bombs, since such attacks would also strike at women and children and since it was not possible to provide effective protection against them for the civilian population. Furthermore, he suggested that it be considered whether bombing in wartime could be restricted to certain fighting zones as a preliminary step towards an overall prohibition of bombing in general.

Nothing was said in this connexion about the Netherlands.

In conclusion, Simon expressed his thanks for the frankness and cordial spirit of the discussion. He would not conceal that he was somewhat disappointed that it had not been possible to achieve a greater measure of agreement. But he did not regret coming to Berlin, as these oral discussions had proved to be much the best way of achieving a general understanding. He promised to report to his Government and to do his utmost to achieve a general understanding.

The Führer and Chancellor thanked Simon again for having accepted the Reich Government's invitation and took this opportunity also to convey his appreciation of the loyal attitude of the British Government and the British officers while the Saar problem was being settled. He had tried to give a clear and accurate picture of the German views and he hoped the British had realized that Germany was prepared to take part in a European collaboration, but the memory of the past sixteen years and the question of equality of rights were obstacles in the way. The German Government's objective was not the establishment of hegemony in Europe, but a community of nations in which Germany could take part as a nation with completely equal rights. If our demands should at times appear excessive, it must not be forgotten that we were striving for a solution which would endure not only for the year 1935 but also for a long time to come. To his regret he had been compelled to announce Germany's withdrawal from the League

of Nations; to return to the League was the honest desire of the German people and of their Government, but the pre-conditions for a return must not be such as to place Germany in a position where she would be compelled once more to withdraw because she lacked equal rights. The German Reich would fulfil conscientiously the obligations which it had voluntarily assumed; but, for this reason, it would sign nothing to which we did not think we would be able to adhere.

During the conversations the Kovno verdict in the Memel trial was announced. The Führer and Chancellor raised the question of this verdict and the situation in the Memel territory with the British Ministers, but Simon and Eden expressed no views on this.

V. NEURATH

[Enclosure]

SECRET

In the opinion of the German Government, the Powers interested in European questions might, in pursuance of the fundamental idea of the Kellogg Pact,⁴ conclude a pact on the following basis:

- 1) The Contracting Powers will not resort to aggression or the use of force against one another.
- 2) The Contracting Powers will, in so far as they have not already done so, conclude amongst themselves treaties of arbitration and conciliation providing for obligatory arbitration procedure in disputes on legal issues and conciliation procedure for the purpose of arriving at an amicable settlement in political disputes.
- 3) Should, none the less, one of the Contracting Powers believe itself to be threatened by aggression or the use of force on the part of another Contracting Power, then at the request of the Power in question a conference composed of representatives of the Governments of all the Contracting Powers shall immediately be convened, in order to deliberate on the situation and if necessary on the requisite steps to be taken for the maintenance of peace.
- 4) If, in spite of the above agreements, hostilities should break out between two of the Contracting Powers, the other Contracting Powers engage themselves to afford no kind of support to the aggressor in any way, neither economically, nor financially nor in a military way.
- 5) This pact is to be concluded for a period of ten years with the possibility of extension.

⁴ See document No. 379, footnote 9.

No. 565

2368/494099-101

Memorandum by the Foreign Minister

BERLIN, March 29, 1935.

RM 282.

Yesterday and the day before I received the French Ambassador, the Polish Ambassador, the Russian Ambassador, the Japanese Ambassador¹ and the Belgian Minister. Each came to obtain information about the Anglo-German conversations.² The French Ambassador and the Belgian Minister had been received by Sir John Simon and had been informed of the conversations in broad outline, so that I had nothing more to tell them on the subject. The Belgian Minister took this opportunity to carry out instructions from his Government, to the effect that the Belgian Government had received the news of our step regarding the reintroduction of universal military service³ with regret and must express their view of this step [by stating] that they must disapprove of a unilateral departure from and/or violation of international treaties. I asked the Belgian Minister whether this communication was to be taken as a protest; in that case I would have to reject this protest as unjustified. Thereupon he replied that it was not a protest, but merely a notification of the attitude of the Belgian Government. I asked further whether the Belgian Government would make public their *démarche* here; I would then arrange for the same to be done at this end. The Minister stated that it was not intended to make this *démarche* public.

The Russian Ambassador, who was not informed about the Anglo-German conversations, first thanked me animatedly for having informed him of them. He would immediately report on them to his Government; he had been obliged to telegraph to them on the same day, so that it had not been possible for him to obtain any authentic information. M. Suritz naturally interested himself most in the conversations about the Eastern Pact. I thereupon reiterated our position and the stipulations communicated by us to the British under which we might in due course be prepared to conclude a pact with the Powers interested in East European questions.

In connexion with the attitude adopted by us regarding a return to the League of Nations, I told the Japanese Ambassador that we had also raised the question of the mandates and had told the British that before a possible return to the League of Nations we would have to

¹ Kimitomo Viscount Mushakoje.

² See document No. 555.

³ See document No. 532 and footnote 2 thereto.

demand, among other things, that the question of colonies should be settled and namely in the sense that the colonies which had been taken away from us as a result of unjustifiable assertions would be returned. How far we would make use of this must be left to ourselves to decide.

The Belgian Minister interested himself chiefly in our attitude on the demilitarized zone and expressed himself thoroughly satisfied after I had given him soothing assurances.

V. N[EURATH]

No. 566

7467/H182220

*Circular of the Foreign Minister*¹

BERLIN, March 29, 1935.

II Abr. 673 Ang. III.

With reference to my despatch II Abr. 673² of March 29, 1935.

I add the following for guidance on what you should say:

It must be assumed that the British have informed the other interested Governments, or will inform them in the near future, of the main details of the conversations, especially of the German views on the various questions. We have, therefore, no objection to your making appropriate use of the foregoing information in official conversations too. Furthermore, the information may also serve to counteract any distortions of our intentions which might appear in the press of the country to which you are accredited. You should, however, refrain for the time being from giving press representatives any concrete details.

V. NEURATH

¹ Addressees were the Missions in London, Paris, Rome, Moscow, Warsaw and Brussels.

² Document No. 564.

No. 567

7467/H182230-33

The Ambassador in Great Britain to the Foreign Ministry

Telegram

No. 94 of March 29

LONDON, March 30, 1935—1:05 a.m.

Received March 30—5:55 a.m.

II Abr. 681.

In consequence of a request by Sir John Simon to call on him immediately after his return from Berlin, I have just had a conversation with the Foreign Secretary.

Sir John Simon first said how thoroughly valuable and useful for both sides the personal contact had been. He stressed the absence of constraint and the agreeable atmosphere at the conversations,¹ and the fact that he was now much better informed about the general line of German policy.

Regarding future developments he said that general understanding in Europe could not be achieved all at once, but that it was slow work which would require much effort.

I pointed out that work for peace had been greatly and unnecessarily hampered by the fact that Russia had now been included in the proposed solutions. A few years ago the British Government had had no thought of including Russia, but had made it their objective to foster understanding between Germany and France. It was only when the ill-starred Eastern Pact was proposed that Russia had come increasingly to the fore, and people were now speaking less and less of German-French understanding and had become increasingly accustomed to saying that England must now mediate between Germany and Russia. This was a regrettable shift in the original statement of the problem, and it was, moreover, erroneous, if only because there were no acute questions at issue between Germany and Russia and also because there were already comprehensive agreements between the two countries which would ensure peace.

Simon did not deny that the developments to which I objected had taken place. He remarked, however, with a serious expression, that Eden and he had gained the impression that the Reich Government were none the less greatly occupying themselves with the Russian problem. Thus, for instance, when they had spoken of the Rosenberg plans for the East and had mentioned the idea of recovering the Corridor in return for Poland acquiring the Ukraine, they had not received a clear answer either from the Reich Chancellor or the Foreign Minister. In reply to this I drew attention to the Reich Chancellor's well-known statements about his policy of reconstruction at home and honourable peace abroad.

I then spoke about the attitude of the press in this country to the Berlin conversations and protested against the consistently unfriendly tone and the numerous misrepresentations.

Here it should be said that, since Simon's statement in the House of Commons yesterday,² in which the familiar reference was made to "a considerable divergence of opinion" at the Berlin conversations, the attitude of today's press is, with the exception of *The Times*, almost more pessimistic and unfavourable than it was yesterday. The fact, which is now taken for granted, that Germany in effect declines to participate in an international system for securing peace

¹ See document No. 555.

² On Mar. 28. See *Parl. Deb., H. of C.*, vol. 299, col. 2083.

and prefers to rely on her own strength, is of course brought out by all those papers which consider that such a system is the only answer. Other papers arrive at an equally unfavourable assessment by reason of their generally anti-German attitude. As a result they industriously collect all reports, wherever they appear, which seem calculated to make the position as regards Germany appear even more grave. In face of this great mass of reports, some distorted, some tendentious, some garbled, all means of putting out *dénials* will of course fail, since individual misrepresentations are too numerous and it becomes too difficult to deal with them. The lack of official information further encourages the journalists to make use with marked irresponsibility of all reports and rumours that may be current.

I spoke about this with particular emphasis, providing examples, both to Simon himself and also to his Private Secretary, Seymour, who, as you are aware, was with him in Berlin. Simon referred to yesterday's statement in the Commons in which he had given a warning against irresponsible and fantastic press reports, having, as I was aware, done so at my request. But I asked him to go beyond this and generally cause the press to be influenced so that their misrepresentations should cease in future. Furthermore I told the Foreign Secretary that I myself would deny the worst false reports, as for instance the report that the Reich Chancellor had said that German air power was already stronger than the British Air Force or that the Reich Chancellor had asked England to help him to reacquire Japanese mandated territories.³

³ In report No. A 1136 of Apr. 1 (7609/E544937/1-2) from London, Bismarck wrote: "As already previously reported, during the past week a large proportion of the British press has endeavoured to replace the lack of authentic information about the subject of the conversations during the British Ministers' visit to Berlin with more or less untrue and tendentious reports about particular points which are alleged to have been discussed.

"The Embassy, acting on instructions telephoned by Senior Counsellor Aschmann on March 29, issued a *démenti* in the form of an official statement by the Embassy, which was given both to Reuter and the news agency 'Press Association' which is a particularly important source of news for the London press. [For this *démenti* see *The Times* of Mar. 30, 1934.]

"The *démenti* dealt with the three points previously reported as mainly occupying the press here, namely the allegations about a German offer of an alliance, an alleged German demand to be given the Japanese colonial mandates, and statements by the Führer about the strength of the German air forces.

"The text of the *démenti* which was published by most of the press is enclosed herewith [not reproduced].

"Nevertheless, it shortly afterwards became apparent that the accuracy of this *démenti*, in so far as it related to the Führer's statements about air power, was being emphatically disputed by Foreign Office circles in response to enquiries from London press correspondents. Since it also emerged from an enquiry addressed by telephone to Senior Counsellor Aschmann that, on this point, the *démenti* could not be completely maintained in its present form, I got in touch with the Foreign Office official concerned in order to prevent, by an explanation of the true facts, the Foreign Office from issuing an official statement flatly contradicting the Embassy. I decided to take this step because I was confidentially informed from a reliable source that there were such intentions in the Foreign Office; had they been carried out then the outcome must have been an extremely undesirable controversy between the Foreign Office and the Embassy.

If, as is already happening at present, reports were to come from Russia about Russia being fully prepared to collaborate in constructing an international system for peace, then we must expect the press to continue to underline and criticize the supposedly opposite German attitude in more or less unscrupulous fashion.

Lord Lothian has just likewise spoken to one of my colleagues of his concern at the lack of information about the official view of the actual course of the Berlin conversations and suggested that the Reich Government might themselves promptly publish an authentic statement about the attitude which they had adopted. Otherwise public opinion might deteriorate more and more.

In this question one was faced with the well-known and frequently occurring phenomenon that, when it was agreed that official conversations should be kept confidential, the press, which naturally had to print something, launched out more and more into suppositions and inventions, until ultimately things had to be cleared up by an authentic statement of the facts.

From Simon's attitude today I derived the impression that he in no way approved the fantasies of the press and, of course, is in no way responsible for them, but that he is afraid that, in putting individual points right, he will be drawn step by step away from the principle that the Berlin conversations should be kept confidential, a principle to which the British Government are still attached, since they are known to consider the Berlin visit as the first stage in a mission of enquiry.

HOESCH⁴

"In point of fact no official British statement on the question has been issued. The matter has, however, been briefly mentioned in yesterday's and today's press, as emerges from the attached cuttings from the *Morning Post* and *The Times* of April 1. The former reproduces information issued late in the evening of March 30 by the Press Association, which was similarly reproduced, without comment, by the majority of the Sunday press."

⁴ Handwritten undated minutes (7609/E544943-44), filed with the Press Department's copy (7609/E544939-42) of the document here printed, read: (i) "St[ate] S[ecretary]: If it be objected that I did not consult the Foreign Ministry about the third part of the London Embassy's *démenti* [see footnote 3 above], then I may point out that Hoesch had given notice of the *démenti* to Simon himself and that Simon had accepted this announcement without contradiction. A[schmann]." (ii) "There is a report from Bismarck on this. B[ülow]." (iii) "I have not seen this! A[schmann]." (iv) "Min[isterial] Dir[ektor] Dieckhoff: May I see the report by Bismarck? A[schmann]." (v) "1. In Hoesch's telegram it is stated that Hoesch would deny the incorrect report that the German Air Force was *stronger* than the British. If the Embassy's *démenti* had confined itself to this it would have been correct. But it furthermore denied that the German Air Force was *equal* to the British. 2. I am sending you Bismarck's report. D[ieckhoff]."

No record of the telephone conversations between Aschmann and the German Embassy in London has been found. An unsigned memorandum, evidently by Aschmann, of Apr. 5 (7609/E544935-36) gives his version of the telephone conversations and states that he was not informed of what Hitler had actually said until Apr. 1.

No. 568

9945/E696052-53

The Chief of the Wehrmachtamt to the Chiefs of the Army and Naval Commands, the Air Ministry and the National Defence Office

TOP SECRET¹

No. 1137/35 g.K. L Ia

BERLIN, March 30, 1935.

Received April 1.

A I Op. 32.

The Minister requests the submission to the Wehrmachtamt by April 5 by the Chiefs of the branches of the Wehrmacht of brief answers (in note form)² to the questions detailed below based on the following situation:

- 1) France and Italy determined to attack us.

Czechia [*sic*] mobilizes, attitude otherwise indeterminate.

Russia will probably employ her air force against us and intends to use Czechia as a base for this purpose.

Poland remains neutral.

England and Belgium neutral for the time being. Transfer to the Franco-Italian camp possible.

- 2) Germany reckons on the following enemy intentions:

French advance up to or over the Rhine.

Italian concentration probably in Austria.

(Estimate to be prepared by the Army Command.)

Temporizing policy by Czechia.

- 3) Directives for the conduct of hostilities:

Defence of the line Roer-Rhine-Black Forest.

Troops to remain in E. Prussia.

Frontier defence forces in the East to remain for the time being.

If the development of the situation permits, surprise attack against Czechia to seize the Russian-Czech air base. The attack would only be set in motion if aggressive actions from Czechia by land or air have taken place. (No surprise attack [*Überfall*] as in 1914 in Belgium.)

Securing of naval supremacy in the Baltic. Defence of imports and exports in the North Sea. No operations to take place in the Atlantic. (Proposals for the employment of training cruisers to be made by the Naval Command.)

¹ Unsigned marginal note: "From hand to hand. This is not to go in the Top Secret journal or registry."

² The first version of the reply from Raeder dated Apr. 4 (9945/E696054-60) was replaced by a revised version dated Apr. 9 (9945/E696045-51).

Questions:

1) Mobilization. (In what sort of shape is the Wehrmacht at war strength? [*Wie sieht die Kriegswehrmacht aus?*] Duration of mobilization?)

2) Deployment intentions.

3) Operational intentions.

4) Intentions as to new formations after completion of mobilization.

The Minister wishes only the absolutely essential staff officers to be employed and special security to be prescribed for them.³

The Minister will hold a discussion with the Chiefs of the branches of the Wehrmacht during the week April 8-13.⁴

V. REICHENAU

³ Unsigned marginal note: "Therefore only A and A I [Naval Command Office and Fleet Department of the Naval Command Office]."

⁴ No records of this discussion have been found; see however Blomberg's handwritten directive on operation "*Schulung*", dated May 2, in *Trial of the Major War Criminals*, vol. xxxiv, document 139-C, Exhibit USA-53, pp. 485-486. See also Wolfgang Foerster, *Generaloberst Ludwig Beck* (Munich, 1953), pp. 58-60.

SUPPLEMENT

[The following documents came to light after work on the main volume had been completed.]

No. 569

K1052/K269981-88

*An Official of the Embassy in the United States to the Ministry for Propaganda*¹

WASHINGTON, August 3, 1934.

III A 3140.

The statements which follow are based on trips taken during the last two months through the East and the Middle West.

We have lost ground since last autumn. However, the American people, particularly in the Middle West, are still open-minded, and it is more than ever essential to find the right method of approach in enlightening them.

In the East anti-Semitism has increased. But we are not deriving any benefit from it at present. Noteworthy is the marked predominance of the Jews in the Roosevelt administration, and the fact that the N[ational] R[ecovery] A[dministration] programme has entered a critical stage. New York financial circles openly express pessimism with regard to the prospects of the NRA. Republicans scent the dawn. It may be assumed that they welcome the growing animosity against the NRA Jews, who are associated with Roosevelt. During Roosevelt's vacation journey, the Jew Richberg, Chairman of the Industrial Emergency Committee, who has been given wide authority, was frequently sarcastically described in the press, as "Acting President". A group of Republican lawyers from the West and Middle West were recently engaged in conducting a census in the Agricultural Adjustment Administration and other Offices, in order to ascertain the number of Jewish officials and typists. Moley's weekly *Today* is losing ground in spite of its embittered attitude towards Germany. The evening paper *New York Post*, which used to be a moderate conservative paper but under its new editor, the Jew David Stern, has turned into a semi-Marxist organ with ostentatious anti-German headlines has, as a result of its present unreliability, steadily lost in circulation and Stern is at present trying to borrow money for his undertaking. Even in the Democratic camp, feeling is growing against the Jewish Governor of the state of New York, Lehmann, and particularly against his racial

¹ Marginal note on another copy of the document here printed (M183/M005880-87): "Original passed on to Propaganda Ministry, [Department] VII. Copy to III A. To be filed. D[rechsler], Aug. 14."

affiliation. His re-election is by no means certain. Thus Jewish propaganda against us is a double-edged weapon; its stridency has thrust it too much into the limelight, whilst through the boycott and other campaigns it has increased economic unrest in America at a time when people here need economic peace and recovery.

The increasingly anti-German feeling among the public is particularly noticeable in the West, where in the autumn of 1933 the poison of hostile propaganda had not yet penetrated to the small towns. Nevertheless, the people, particularly outside New York, and especially in the small and middle sized towns, have not yet been roused to such a degree that they refuse to accept information. This presents us with opportunities which we must exploit before it is too late. The biased reporting of the American press and the flooding of the country with anti-German literature and the like, are giving people the impression that we lack the courage to fight back or even that we are acknowledging ourselves to be at fault. An American in St. Paul, Minnesota, who had just read a cable account of the [Propaganda] Minister's speech of July 10, "June 30 as mirrored abroad",² volunteered quite of his own accord "Here at last is a man who gives the press what for!"

Since the Dickstein investigation³ has resulted in exposing the links between German agencies and the two publicity firms, Byoir-Dickey-Viereck⁴ and Ivy Lee, their usefulness to us is almost entirely at an end. In the course of the enquiry Dickey even hinted that his firm had not done enough work to justify their high monthly payments, but had rather profited from Germany's need. As I hear in New York, the firm are expecting that their services will shortly be terminated. In my view Ivy Lee has too many important clients with other interests bringing in considerably larger amounts for him to be prepared to place himself in the firing line on our behalf. I am told that Lee represents the Bethlehem Steel Works, whose chief shareholder is the Jew Untermeyer, for double the fee paid him by I. G. Farben. The mysterious influence which these firms were supposed to exercise over the press has turned out to be an empty promise. Indeed, the leading articles which have recently appeared about these firms (and of which

² In this broadcast speech Goebbels attacked the foreign press for its reporting on recent events in Germany (see *The Times* of July 11, 1934).

³ Representative Samuel Dickstein (Democrat, New York) was vice-chairman of the "Special Committee on Investigation of Nazi and other foreign propaganda activities in the United States" which was set up in accordance with a resolution of the House of Representatives, H. Res. 198 Seventy-third Congress, Second Session. For the published record of the Committee's hearings see *Investigation of Nazi Propaganda Activities and Investigation of Certain Other Propaganda Activities: Hearings before the House Special Committee on Un-American Activities, 73rd Cong., 2nd sess.* (Washington, Government Printing Office, 1934). See also documents in vol. II of this Series.

⁴ The publicity firm headed by Carl Byoir, of which Carl Dickey was a member, was known as Carl Byoir and Associates. According to testimony given before the Dickstein Committee, the publicist and writer George Sylvester Viereck had been employed by the Byoir firm as an adviser.

I attach a sample from yesterday's *Washington Herald*)⁵ rather prove the opposite. I would therefore suggest that you should press to have the contracts terminated as soon as possible.⁶ Now that the persons in question have appeared on the witness stand before the Investigating Committee and have been under oath to tell the whole truth, they can no longer hope to back us up with any success and will, moreover, for their own sakes, take the greatest care to avoid any further discussion about themselves in the press.

The Association of the Friends of the New Germany⁷ will be a burden to us as long as it engages in political activity. We can only hope to overcome propaganda carried on against us by Jewry infiltrated with the International spirit if we succeed in establishing clear relations of mutual esteem and respect with the mass of patriotic Americans.⁸ This requires German Reich subjects engaging to keep out of an Association which is playing a part in domestic politics. The activities of German Reich subjects in the Association have enabled the Jews to cloak themselves in a mantle of patriotism and to rally the patriotic societies of America against "un-American agitation". Until a clean sweep is made of all this, our efforts will always be received with scepticism. I therefore suggest that the principles governing the behaviour of members of the NSDAP abroad should be extended to apply to Reich subjects, that they should be forbidden to join any political associations within a foreign country whatsoever and that anyone disobeying this should be called to account on his return home. In the campaign against the boycott by systematic visits to shops, pressure on merchants and the like, every Reich subject in America can render us great service. But any form of political activity is a hindrance to us.

The experiences of recent months and weeks have once again shown that candid and factual reporting and information coming from responsible offices are the right thing and that therefore the plans which were submitted by H. S. Houston,⁹ that is to say, for a book, a quarterly

⁵ Not attached to this copy.

⁶ In Washington telegram No. 297 of July 27 (K1052/K269910) Sallet recommended to the Propaganda Ministry that the contracts with Byoir, Dickey and Ivy Lee be terminated. The Propaganda Ministry informed the Foreign Ministry by letter of Oct. 1, 1934 (M183/M005889) that 3 months' notice of termination of the contract between Byoir and Dickey and the German Tourist Information Bureau, New York, had been given that day.

⁷ The Association of Friends of the New Germany was a German-American organization favourable to the National Socialist regime in Germany. In a letter to the German Embassy in Washington of Aug. 8, 1933, Heinz Spanknöbel, then its national leader, informed the Embassy that the Association of Friends of the New Germany had been designated by the NSDAP as the sole National Socialist association in the United States and Canada (M182/M005876-78). See also documents on this subject in vol. II of this Series.

⁸ Marginal note in Dieckhoff's handwriting: "Yes".

⁹ Herbert S. Houston. The Consul General in New York reported on July 18, 1933 (K1052/K269167-68) and July 26, 1933 (K1052/K269170-73) on Houston's project for the publication, by Macmillan & Co., of a book entitled *Germany Speaks* and on a plan by the Carl Schurz Memorial Foundation for the publication of a periodical, in conjunction with Houston, and stated that Houston had discussed his plan with Schacht and

and a library of information, are the only ways of disseminating information having any prospects of success.¹⁰

1. *The proposed book about the New Germany.* Macmillans are still prepared to publish a book to be called *Germany Speaks*.⁹ The book market has meanwhile been flooded with anti-German rubbish. H. F. Armstrong of *Foreign Affairs* has meanwhile published his second book about Germany.¹¹ Our side, however, have not yet published a single book. Schoonmaker, who last summer went from New York to Germany on a grant of 4,000 RM in order to write a book, has not yet sent his manuscript to press.¹² Now that the first collection of essays by leading personalities for the book *Germany Speaks* has been rejected by Macmillans as unsatisfactory, the next best plan would be to provide an American writer having some knowledge of National Socialism with all the necessary source material, to grant him the necessary interviews at your end, and then to leave him to write the book alone. A person who is prepared and qualified to do this is F. W. Elven, Editor of the German language daily the *Cincinnati Freie Presse* and one of the foremost German-American politicians. Elven's appearance in person on our side will make a considerable impression not only on German-Americans but also on the Republican Party politicians. The morally irrefutable claim of Americans of German stock; who "oppose the poisoning and support the preservation of friendly relations between their new and their old homeland", should always be given as justification for Elven's action and it should also be the general slogan for his campaign, his book, his newspaper articles, and his lectures. Elven, who for decades has been known amongst Republican politicians as the spokesman of the Americans of German stock, will undertake this task in return for a free journey to Germany.

2. *Semi-official political quarterly.* The best way to influence public opinion and particularly to counteract the Jewish *New York Times*, which is consistently hostile to us, would be by means of a political quarterly on the pattern of *Foreign Affairs* and *Contemporary Japan*, the articles in which may be officially inspired but are never allowed to lose the appearance of scholarly objectivity.¹³ I would venture once again to draw attention to Houston's proposal with regard to a quarterly.

had communicated directly with various authorities in Germany. Washington report No. 1710 of Oct. 25, 1933 (K1052/K269273-79) forwarded a letter from Viereck to Luther and a tentative list of hoped-for contributors—Hitler, Papen, Neurath, Goebbels etc.—to the proposed book, which was to be edited by Viereck.

¹⁰ Marginal note in an unidentified handwriting: "Correct!"

¹¹ Presumably a reference to H. F. Armstrong: *Europe between Wars?* (New York, 1934).

¹² Edwin D. Schoonmaker. In telegram No. 57 of June 14, 1934 (M184/M005931), the Consul General in New York reported that in view of the Dickstein investigations the appearance of Schoonmaker's book would be inopportune, and that Schoonmaker was of the same opinion.

¹³ Marginal note in Dieckhoff's handwriting: "Yes".

3. *Official Library of Information in Washington.* The enclosed correspondence¹⁴ once again proves how urgently necessary it is to start a library of information in the near future. The population of the middle size and small towns desire positive information about Germany and it would be a sin of omission which it would be difficult to repair if we were to cede this ground too to the unceasing propaganda of our enemies.¹³

4. *Comprehensive yearbook.* Germany is to such an extent the centre of discussion in America, that a yearbook combining all the advantages of the German *Müller-Jabusch* with the American *World Almanac*, the English *Whitaker's Almanack*, and the *Soviet Union Yearbook*, would contribute considerably to the spreading of information.¹³ The yearbook would have to be published in the English language in New York and London and would have to contain so much information about all German institutions that it would be an indispensable reference book for all editorial staffs and libraries. I would particularly recommend that, with regard to the layout, the example of the *World Almanac* should be followed, because a yearbook of this kind would at once be familiar to Americans, which would considerably increase its circulation.

SALLET¹⁵

¹⁴ Not found.

¹⁵ Richard Sallet, Attaché and representative of the Ministry of Propaganda at the Embassy in Washington.

No. 570

K1052/K270019-21

The State Secretary in the Reich Chancellery¹ to the Foreign Minister

Rk. 9266/34

BERLIN, November 2, 1934.

Received November 3.

III A 3578.

On October 31 the Führer and Chancellor received the Head of the Steuben Society of America,² Mr. Theo. H. Hoffmann.

Mr. Hoffmann informed the Führer and Chancellor of the aims and tasks of the Steuben Society and expressed severe criticism of the behaviour of the Association of "Friends of the New Germany"³ in America. The local heads of this Association were, for the greater part, young Germans who were not American citizens and who therefore

¹ Marginal note on the draft, in the files of the Reich Chancellery (1529/374164-66), of the document here printed: "Drafted on instructions of the Führer. Th[omsen], Nov. 1."

² The Steuben Society of America was a German-American organization founded in 1919, named in honour of the Prussian officer Friedrich Wilhelm August von Steuben, who served as a general in the American forces in the American War of Independence.

³ See document No. 569, footnote 7.

ran the risk of being deported from America because of their political activities. It was also entirely possible that the American Government would be compelled to prohibit and dissolve the Association of "Friends of the New Germany". Such a measure would, of course, provide the enemies of Germany in America with new material for agitation against Germany. The local heads of the Association were generally entirely unknown in German-American circles; it was not known where they came from but it was assumed that they received their instructions from a superior authority in Germany. The activities which they, as foreigners, engaged in in America, were only harmful without benefiting Germany and created disharmony in German-American circles. This confusion was increased even further by the fact that German Consuls in the United States had accepted invitations to functions of the "Friends of the New Germany" and had thus indicated that they were lending this Association moral support.

To this the Führer and Chancellor replied that one could not, after all, prevent German National Socialists abroad from meeting amongst themselves in order to foster the National Socialist ideology, but on the other hand he had given strict instructions that National Socialists were in all circumstances to refrain from political activities in the country which was their host. A German authority from which the "Friends of the New Germany" were receiving instructions did not therefore, exist. The "Friends of the New Germany", in so far as they were Germans, did, however, derive suggestions for their activities from descriptions in letters from their relatives in the homeland of the achievements of National Socialist Germany.

The Führer and Chancellor is not aware of how far the remarks of Mr. Hoffmann about the activities of the "Friends of the New Germany", which are allegedly endangering the German community in the United States, are due to the rivalry between the "Steuben Society" and the above-mentioned Association. He would therefore be grateful for an indication as to whether you consider that a greater degree of reserve on the part of the Consuls, with regard to the local groups of the "Friends of the New Germany" which has been described as desirable by Mr. Hoffmann, is necessary for reasons of foreign policy.⁴

I have furnished the Führer's Deputy with a copy of this communication.⁵

DR. LAMMERS

⁴ See also document No. 571.

⁵ See also document No. 572.

No. 571

K1052/K270022-23

The State Secretary to the State Secretary in the Reich Chancellery

BERLIN, November 6, 1934.

zu III A 3578¹[Ang.] I.

Drafting Officer: Senior Counsellor Fuehr,

With reference to your communication Rk. 9266/34 of November 2.¹

I beg to make the following reply to the communication referred to above.

It is possible that Mr. Theo. H. Hoffmann's remarks about the activities of the "Association of Friends of the New Germany" are to a certain extent due to the rivalry which exists between the "Steuben Society of America" and the above-mentioned Association. There is however no doubt that, according to reports reaching us, the complaints made by Mr. Hoffmann are indeed in large measure justified, since several local groups have, by their excess of zeal (mainly in outward matters which strike Americans as being particularly outlandish and un-American), caused annoyance and have done not inconsiderable damage in consequence. In view of the fact that not only Reich Germans but also American citizens are members of the "Association of Friends of the New Germany", our official representatives in the United States are already maintaining a certain reserve and are, moreover, basing their attitude to the individual local groups on whether the leaders of these groups are acting with the requisite tact or not.

It may be observed in this connexion that, in order to avoid any complications, the Führer's Deputy issued an order in the autumn of last year forbidding members of the NSDAP to be members of the "Association of Friends of the New Germany".²

B[ÜLOW]³

¹ Document No. 570.² See vol. II of this Series.³ A copy of the document here printed and of document No. 570 were sent to the Embassy in Washington on Nov. 10 (K1052/K270024).

No. 572

K1052/K270080-84

The State Secretary in the Reich Chancellery to the Foreign Ministry

Rk. 10566/34

BERLIN, December 3, 1934.

Received December 5.

III A 3907.

With reference to communication III A 3578 of November 6, 1934.¹

Subject: The Association of Friends of the New Germany.

¹ Document No. 571.

At the instance of Reich Minister Hess the Head of the Auslandsorganisation of the NSDAP has stated his opinion in the enclosed document on the criticism expressed by the Head of the "Steuben Society of America", Mr. Theo. H. Hoffmann, of the behaviour and actions of individual local groups of the Association of Friends of the New Germany. The opinion of Gauleiter Bohle substantially coincides with the remarks in your communication of November 6, particularly as regards the participation of official German representatives in functions held by the Association.

While Gauleiter Bohle emphatically rejects any link between the Auslandsorganisation of the NSDAP and the Association, in accordance with the principles laid down by Reich Minister Hess, he does not think it out of the question that contact is being maintained with the Association by other official and non-official German bodies and he therefore suggests that enquiries be made in this respect of you, of the Reich Ministry for Public Enlightenment and Propaganda, of the Secret State Police and of the Aussenpolitisches Amt of the NSDAP. In my view it will hardly be possible to prevent such contacts from existing and being maintained in particular cases, if only for the sake of avoiding serious mistakes being made by the Association or its local groups to whom numerous Reich Germans belong, mistakes which might be harmful both to the aims of the Association and to German-American relations. Even the participation of our official representatives in functions of the Association, which is not regarded by you and by Gauleiter Bohle as undesirable, cannot remain concealed from the American public. If therefore the Association should be attacked by American public opinion because of these relations with German officials, it would seem to me sufficient if these attacks were to be met by pointing out that members of the NSDAP cannot, by reason of an express order by the Reich Party Leadership, be members of the Association.

I should be grateful for your views, if necessary formulated in consultation with the above-mentioned departments.²

I have sent a copy of this communication to Reich Minister Hess.

DR. LAMMERS³

² See document No. 573, footnote 2.

³ A copy of the document and enclosure here printed was sent to Washington on Dec. 8, with a request for comment (K1052/K270085). See also document No. 573.

[Enclosure]⁴

November 16, 1934.

To the Führer's Deputy.

With reference to the communication of November 7, 1934, Stabsleiter Bo/Tü, "Friends of the New Germany".

⁴ This enclosure was sent to the Reich Chancellery under cover of a letter from Bornmann of Nov. 27 (1529/374177), which was not repeated to the Foreign Ministry.

I would beg you to forgive the delay in replying, which was due to the fact that the letter arrived here while I was away in Vienna and Prague.

I again enclose the letter from the State Secretary of the Reich Chancellery, and would first draw your attention to the fact that the "Association of Friends of the New Germany" has never been administratively connected in any way with the Auslandsorganisation of the NSDAP, and that this, as goes without saying, is also the case today. It is known there that, in the middle of last year, I most emphatically and successfully opposed the Association's desire to be given the status of an official Party organization.

After the dissolution of the Party groups in the USA at the beginning of 1933,⁵ this Association was formed as a German-American society. When I discovered at that time that certain Party members belonged to the Association, I at once ordered that members of the NSDAP should resign [from the Association] immediately,⁶ since it was incompatible with the principles of the Auslandsorganisation for Party members to be allowed to be members of associations in other countries.

The person in question, Mr. Theo. H. Hoffmann, Head of the Steuben Society of America, is not known to me personally. I can however very well imagine—as was confirmed to me a few days ago by a Party member from New York, who is staying here at present and who has a very important position there—that Mr. Hoffmann finds the activist efforts of the Association inconvenient. It is, in fact, chiefly the active elements among the German-Americans who are concerned with this Association and I must say that the Association is the only society which has championed the new Germany actively and fearlessly. On the other hand, however, I know equally well that the methods preferred by the Association have caused annoyance here and there and are therefore not calculated to elicit sympathy for the Third Reich amongst the wider public.

The absolute passivity towards the USA, which has been most strictly observed by the Auslandsorganisation, is based on my view that at present any overt efforts made in the United States on behalf of the new Germany are entirely pointless, as the opposing elements are in every respect all-powerful. It is my opinion that any intervention on our part from here would only raise dust without achieving any positive results, and it is still my view that the German-Americans should take steps of their own accord and in such a way that it would not be assumed that there was a link with the Reich. This would not be appropriate in all countries of the world, but in the United States the conditions are undoubtedly different.

Whether the American Government intend in the near future to

⁵ The reference is obscure, but see also vol. II of this Series.

⁶ See vol. II of this Series.

dissolve the "Association of Friends of the New Germany" cannot be judged from here. I myself do not believe they will, unless any really serious blunders are made. In any case it is sufficient for me to say that the Auslandsorganisation maintains no contact or even correspondence with the Association, although I cannot judge whether other Party or Reich authorities are maintaining such contact. It therefore seems to me that enquiries should be made of the Gestapo, the Reich Ministry for Public Enlightenment and Propaganda, the Foreign Ministry and the Aussenpolitisches Amt of the NSDAP.

From my knowledge of the situation I would propose that the official representatives of the Reich should not be instructed without more ado to stop having any contact with the Association and its local groups, and not to attend any of its functions. I should consider such instructions psychologically mistaken because there are, without doubt, many upright and Germanophil people active in the Association. I would therefore propose that it be suggested to the Foreign Ministry, that both the Embassy and the Consulates subordinate to it should be requested to exert a moderating influence on the Association and its local groups, and to point out to them that their activities should be such as not to cause the Government to raise any objections. Whenever a member of an official representation attends one of the Association's functions, the Association should be required to submit the speeches to him beforehand for his approval; moreover, the functions should be such as to meet with the approval of the competent Reich representative.

I consider that this solution would be the best, and I can only describe a unilateral disavowal of the "Association of Friends of the New Germany" as extremely undesirable.

I enclose a carbon copy of this letter.

Heil Hitler!

E. W. BOHLE.
Gauleiter.

No. 573

K1052/K270105

The Ambassador in the United States to the Foreign Ministry

No. 2415

WASHINGTON, December 29, 1934.

Received, January 12, 1935.

III A 115.

With reference to your despatch III A 3907 of December 8.¹

Subject: The Association of Friends of the New Germany.

According to opinion on this side too there is no question of breaking

¹ See document No. 572, footnote 3.

off contact completely with the Association of "Friends of the New Germany", the more so as the Association is one of the few German-American organizations which is in favour of the Germany of today.

It would be expedient for the Embassy and the Consulates to adopt exactly the same attitude to the Association as they have to the other German-American organizations and societies. In this respect, owing to the political nature of the Association, a certain caution is imperative, such as is also shown with regard to other societies with political tendencies.²

LUTHER

² A copy of the document here printed was forwarded to the Reich Chancellery with a covering letter of Jan. 17, 1935 (K1052/K270106-07).

APPENDICES

Appendix I

NOTE ON THE STRENGTH OF THE LUFTWAFFE

Although the precise strength of the Luftwaffe at the time of the British Ministers' visit to Berlin (see document No. 555) cannot be ascertained, since no Luftwaffe strength returns for the period between December 1934 and August 1938 have been found, the following evidence is provided by documents found amongst the captured records of the German Air Ministry:

(1) The records of the LC (Technical) Department show that a new programme, planned to produce 4,021 aircraft by September 30, 1935, was put into effect on January 1, 1934. By the end of January 1935, during which this programme was superseded by a bigger one, 2,105 aircraft—216 short of the intermediate target set—had been produced. It was planned to distribute the aircraft to be produced under the 1934-1935 programme as follows:

Lufthansa	115
Units	1,085
Training	2,168
Research	138
Airfields	156
Anti-Aircraft Schools	5
Target Towing	48
Clubs	33
Reichsbank	2
German Railways	10
Hitler	10
Miscellaneous	80
Wastage	171
Total	<hr/> 4,021 <hr/>

(2) Statistics showing the strength of the Luftwaffe as at December 31, 1934, have also been found [*Stand der Aufrüstung der Fliegereinheiten* (filmed on M112/M004073-81)]. These statistics are divided into two sections headed respectively Phase I [*I. Abschnitt*] and Phase II [*II. Abschnitt*]. No aircraft are listed as held against the unit paper strengths for Phase II, which was evidently planned to be implemented in 1935. The figures for Phase I, which show the establishment and actual strength for 1934, have been consolidated in the table printed on the following page; the right-hand column contains the target figures of the 1934-1935 production programme referred to in (1) above.

(Based on M112/M004073-75)

STRENGTH ON DECEMBER 31, 1934: PHASE I

	Training Schools		Units ¹ [Verbände]		Auxiliary Units		Miscellaneous ²		Total		Target for Sept. 3, 1935
	Est.	Act.	Est.	Act.	Est.	Act.	Est.	Act.	Est.	Act.	
OPERATIONAL TYPES, LAND											
Dornier 11 Bomber	40	34	60	26	—	—	—	15	100	75	} 372
Dornier 23 Bomber ³											
Junkers 52 Bomber (Supplementary)	66	35	—	—	72	12	5	78	143	125	450
Heinkel 45 Reconnaissance Fighter (Long Range)	148	94	36	36	—	—	6	20	190	150	320
Heinkel 46 Reconnaissance Fighter (Short Range)	30	45	24	24	—	—	—	15	54	84	270
Arado 64, Arado 65 Fighter	36	67	36	27	—	—	6	4	78	98	} 251 51
Heinkel 51 Fighter ³											
Heinkel 50 Dive Bomber ³											
Total Operational Types, Land	320	275	156	113	72	12	17	132	565	532	1,714
OPERATIONAL TYPES, COASTAL											
Heinkel 60 Reconnaissance (Floatplane)	21	14	12	7	—	—	—	6	33	27	81
Heinkel 38 Fighter (Floatplane)	—	4	12	8	—	—	—	—	12	12	} 26
Heinkel 51 Fighter (Floatplane)											
Heinkel 59 General Purpose	6	5	12	6	—	—	—	2	18	13	21
Total Operational Types, Coastal	27	23	36	21	—	—	—	8	63	52	149
OTHER TYPES											
Miscellaneous, Land ⁴	678	735	—	—	—	—	135	496	813	1,231	1,760
Miscellaneous, Coastal (Landplanes)	54	40	—	—	—	—	1	15	55	55	
Miscellaneous, Coastal (Seaplanes)	43	2	—	—	—	—	1	16	44	18	
Elementary Trainers ⁵											
Communications-Klemm 31 and 32											89
Others ⁶											309
Total Other Types	775	777					137	527	912	1,304	2,158
Grand Total, All Types	1,122	1,075	192	134	72	12	154	667	1,540	1,888	4,021

¹ i.e., the following first-line squadrons (*Staffeln*) each consisting of 12 aircraft:

- 5 Bomber Squadrons
- 3 Fighter Squadrons
- 3 Long Range Reconnaissance Squadrons
- 2 Short Range Reconnaissance Squadrons
- 1 Coastal Reconnaissance Squadron
- 1 Coastal Fighter Squadron
- 1 Coastal General Duties Squadron.

² Aircraft under this heading are denoted as being allocated to the following:

- v. Waldau, DRB, DLH, DVL, DLV, NSDAP,
- N. Schule Jüterbog, Inf. Schule, Dresden,
- RfW, Deruluft, RLM.

viz: Air training scheme in Italy [v. Waldau], see documents No. 406 and footnote 6 thereto, and No. 425; German Railways [*Deutsche Reichsbahn*]; German Airways [*Deutsche Lufthansa*]; German Air Research Establishment [*Deutsche Versuchsanstalt für Luftfahrt, Berlin-Adlershof*]; German Air Sport Organisation [*Deutsche Luftsportverband*]; the Signals School, Jüterbog; the Infantry School, Dresden; Reich Meteorological Office [*Reichsamt für Wetterdienst*]; the Russo-German Air Transport Co. [*Deutsche Russische Luftverkehrs-Gesellschaft*] and the Air Ministry.

³ See footnote 4 below.⁴ Included under this heading are aircraft used for experimental and testing purposes. It is therefore possible that some aircraft of the types Dornier 23, Heinkel 50, Heinkel 51 etc. are included in the figures.⁵ Types: Focke-Wulf 44, Arado 69, Heinkel 72, Klemm 25, Arado 66 etc.⁶ Including experimental series of new bombers, the Heinkel 111, Dornier 17 and Junkers 86.

Appendix II

ORGANIZATION OF THE GERMAN FOREIGN MINISTRY JUNE 1934 – MARCH 1935¹

THE REICH FOREIGN MINISTER
Freiherr von Neurath

Secretariat: Counsellor von Kotze
Secretary of Legation Dr. Siegfried (until October 1934)
Secretary of Legation Dr. von Etzdorf (from October 1934)

THE STATE SECRETARY OF THE FOREIGN MINISTRY
Dr. von Bülow

Secretariat: Counsellor of Legation Dr. Kordt (Theodor) (until August 1934)
Secretary of Legation Dr. von Bargaen (from August 1934)

PROTOCOL

Senior Counsellor Minister Count von Bassewitz
Secretary of Legation Dr. Mumm von Schwarzenstein (Herbert) (until January 1935)
Consul von Levetzow (from January 1935)

REFERAT DEUTSCHLAND²

Observation of internal political events which are important for external policy; observation of reactions abroad to internal political events; assisting the State Secretary in his contacts with other internal offices; the Jewish question etc.

Senior Counsellor von Bülow-Schwante
Counsellor Dr. Röhrcke
Secretary of Legation Dr. Schumburg

COMMISSIONER FOR INTERNATIONAL SHIPPING NEGOTIATIONS AND DELEGATE
TO THE RIVER COMMISSIONS
Senior Counsellor Dr. Martius

DEPARTMENT I

PERSONNEL AND BUDGET DEPARTMENT

Director of Department: Ministerialdirektor Dr. Freiherr von Grüнау

¹ This organization plan has been compiled from the Foreign Ministry's organization plans for January 1933 (293/183927-44) and April 1934 (M89/M003125-28), from circulation lists and announcements of appointments found in the files, and from other information at the disposal of the editors.

² Directive IA 397 of Mar. 20, 1933 (K900/K223903-04) reconstituted Referat Deutschland (which had been dissolved in January 1931) and placed it under the immediate control of the State Secretary. The list of duties has been condensed from a memorandum of Jan. 24, 1934 (6990/E522301-02).

Deputy Director:	Senior Counsellor Dr. Poensgen (Walter) (until October 1934) ³
Head of Budget and Financial Affairs:	Senior Counsellor Dr. Bode
Special Duties:	Senior Counsellor (unassigned) Schroetter (from November 1934)
I H Organization of the Foreign Service; personal data on higher officials etc.:	Senior Counsellor von Wühlisch Counsellor Dr. Mayr-Falkenberg
I M Personal data on other officials; organization and efficiency of the working of the Ministry:	Counsellor Dr. Schmidt-Rolke
I B Salaries and allowances:	Counsellor Busch (until December 1934) Counsellor of Legation Dr. Schellert (from January 1935)
I D Administration of funds for official requirements:	Senior Counsellor Dr. Hempel Counsellor Dr. von Pannwitz
I R Preparation and general administration of the budget, and general questions relating thereto:	Senior Counsellor Kammler Counsellor Dr. Richter Consul (unassigned) Reinhardt (from October 1934)
I Z Cypher and Communications:	Oberregierungsrat Selchow
I K Liaison with Propaganda Ministry on matters concerning the arts and sport (from January 1935):	Consul Bergfeld
Library:	Dr. Holleck-Weithmann
Political archives:	Senior Counsellor Dr. Stieve (Department VI) Secretary of Legation Dr. Kaempfe Oberregierungsrat Gautier
Language Services:	Secretary of Legation Dr. Schmidt (Paul)

DEPARTMENT II

WEST, SOUTH AND SOUTH-EAST EUROPE

Director of Department:	Ministerialdirektor Dr. Köpke
Deputy Director:	Senior Counsellor von Renthe-Fink
Western Europe:	Counsellor von Rintelen
France:	Secretary of Legation Dr. Wolf (Gerhard)
Belgium, Netherlands, Luxemburg, Switzerland:	Secretary of Legation Dr. Hertz
South and South-east Europe:	Counsellor of Legation Dr. Heinburg
Albania, Greece, Italy:	Counsellor of Legation Dr. Lorenz
Bulgaria, Yugoslavia, Rumania:	Counsellor Dr. Busse
Austria, Hungary, Czechoslovakia:	Counsellor of Legation Dr. Hüffer (until October 1934) Counsellor of Legation Dr. Altenburg (Günther) (from October 1934)

³ Dr. Poensgen was not replaced.

Vatican:	Senior Counsellor Dr. Menshausen
League of Nations:	Senior Counsellor von Kamphoevenner
Spain, Portugal:	Senior Counsellor von Kamphoevenner (acting)
Saar Territory:	Senior Counsellor Dr. Voigt Counsellor Strohm
Questions of War Guilt:	Senior Counsellor Mundt
Military and aviation questions, Disarmament:	Senior Counsellor Dr. Frohwein Counsellor Dr. von Schmieden Counsellor Dr. Schwendemann Consul Schulz-Sponholz Secretary of Legation von Bülow (Adolf)

DEPARTMENT III

GREAT BRITAIN, IRELAND, THE DOMINIONS AND BRITISH POSSESSIONS,
THE UNITED STATES OF AMERICA, CENTRAL AND SOUTH AMERICA,
THE ORIENT, INTERNATIONAL SHIPPING QUESTIONS,
COLONIAL AFFAIRS.

Director of Department:	Ministerialdirektor Dr. Dieckhoff
Deputy Director:	Senior Counsellor Dr. Prüfer
III E Great Britain, Ireland, the Dominions and British possessions:	Counsellor Dr. Baron von Plessen (Johann) (until July 1934) Counsellor of Legation Rüter (from August 1934) Herr Schweckendieck (until December 1934)
III A USA and possessions (except Phillippines), Mexico, Cuba, Haiti, Dominican Republic, Liberia:	Senior Counsellor Dr. Fuehr Senior Counsellor Dr. Davidsen Vice Consul Krienen
III B Questions concerning German property in the United States; American claims for compensation:	Senior Counsellor Dr. Albrecht (Department V)
III MS Central and South America:	Senior Counsellor Dr. Poensgen (Erwin) Secretary of Legation Dr. Anderson Secretary of Legation Doertenbach Senior Counsellor Bleyert
S International shipping questions; fisheries; international railway matters:	
III O Orient (Egypt, Ethiopia, Afghanistan, Arabia, Ceylon, India, Iraq, Palestine, Persia, Sudan, Syria, Turkey); Jewish political matters in the Orient:	Counsellor of Legation Pilger Counsellor of Legation Meyer (Hans) (July to September 1934) Attaché Rahn
III K Colonial Affairs:	
Head:	Ministerialdirigent Brückner

Personal affairs of former colonial officials:	Ministerialdirigent Brückner
East Africa; legal matters:	Senior Counsellor Gunzert
West Africa, South-West Africa, Pacific Islands, the Mandate system, slavery, colonial organizations and research etc:	Counsellor Rudolph (until September 1934)
	Counsellor of Legation Meyer (Hans) (from September 1934 to February 1935)
	Counsellor of Legation von Strahl (from January 1935)

DEPARTMENT IV

EASTERN EUROPE, SCANDINAVIA, AND EAST ASIA

Director of Department:	Ministerialdirektor Meyer (Richard)
<i>Eastern Europe and Scandinavia</i>	
Deputy Director:	Senior Counsellor Hey
IV Ru. Russia:	Counsellor von Tippelskirch
	Vice Consul Pfeiderer (until October 1934)
	Secretary of Legation von Stechow
IV Po. Poland, Danzig:	Counsellor von Lieres und Wilkau
	Consul Dr. Schwarz
	Secretary of Legation Count Adelman
	Secretary of Legation Dr. von Stolzmann (until November 1934)
	Landesgerichtsrat Dr. von Grolman (from November 1934)
IV Nd./IV Rd. Scandinavia and Baltic States:	Senior Counsellor Dr. von Schack (until July 1934)
	Counsellor of Legation von Grundherr
	Counsellor Dr. Eckner
	Counsellor Dr. Mey (from September 1934)
Economic Questions:	Counsellor of Legation Bräutigam

East Asia

Deputy Director:	Senior Counsellor von Erdmannsdorff
IV Chi. China:	Counsellor of Legation Dr. Kühlborn
IV Ja. Japan:	Secretary of Legation Count Strachwitz (until October 1934)
	Counsellor Rohde (from August 1934)
IV SO/IV OWR South East Asia and general economic questions of the Far East:	Counsellor of Legation Meyer (Hans) (until July 1934)
	Secretary of Legation Voss (from July 1934)

DEPARTMENT V

LEGAL DEPARTMENT

Director of Department:	Ministerialdirektor Dr. Gaus
Deputy Director:	Senior Counsellor Dr. Barandon

V A	International law, arbitration questions etc.:	Senior Counsellor Dr. Woermann Regierungsrat Vogel
V B	Trade treaties and concessions; extraterritorial rights; international traffic law; consular law etc.:	Senior Counsellor Dr. Kraske (until October 1934) Counsellor Dr. Busch (from December 1934)
V S	Constitutional and administrative law; nationality; ecclesiastical law; extradition; penal law:	Senior Counsellor Dr. Siedler Secretary of Legation Dr. von Bargaen (until August 1934)
V P	Labour law; International Labour Office; Police, particularly aliens section; international motor vehicle law; Universal Postal Union etc.:	Counsellor Rödiger (Gustav)
V D	Taxation law; social insurance; opium etc.; Customs affairs of German and foreign diplomats:	Senior Counsellor Dehl
V C	International private law; international legal protection and legal aid in civil matters etc.:	Senior Counsellor Dr. Albrecht

DEPARTMENT VI

CULTURAL POLICY DEPARTMENT

Director of Department:		Senior Counsellor Dr. Stieve
VI A	German racial groups abroad; minority questions; Evangelical Church and mission affairs; emigration:	Senior Counsellor Dr. Roediger (Conrad) Counsellor Dr. Freudenberg Hofrat Follow Dr. Goeken
VI W	General cultural policy; Catholic Church and mission affairs; cultural relations with foreign countries:	Senior Counsellor Dr. Oster Vice Consul von Heinz (until September 1934) Vice Consul Dr. Bock Secretary of Legation Dr. von Stolzmann (from November 1934)
VI S	German educational system abroad; youth movements:	Senior Counsellor Dr. Böhme Consul Döppfel Dr. Paul Regierungsrat Dr. Kundt Herr Haut
VI R	Repatriation:	
VINf	Enquiries abroad about Reich Germans:	
VI H	Administration of the funds of the department:	Vice Consul Dr. Bock Hofrat Krüger
VI K	Liaison with the Propaganda Ministry on matters concerning the arts and sport: ⁴	Consul Bergfeld

⁴ Referat VI K and its Referent Consul Bergfeld were transferred to Department I on Jan. 22, 1935, the Referat being subsequently known as I K.

PRESS DEPARTMENT (P)

Head of Department: attached:	Senior Counsellor Aschmann Fräulein Dr. Blesch
France and Colonies, Morocco, Belgium and Colonies, Luxemburg, League of Nations:	Counsellor Braun von Stumm Senior Counsellor (unassigned) Dr. Katzenberger
Austria, Hungary, Czechoslovakia, Yugoslavia, Bulgaria, Greece, Rumania, Albania:	Counsellor Wolf (Gustav)
Great Britain, Ireland, Dominions and Colonies (except India), United States of America; Netherlands; Cultural Affairs:	Counsellor (unassigned) Dr. Drechsler
Central and South America, Liberia, Spain, Portugal, Vatican:	Senior Counsellor (unassigned) Dr. Katzenberger (until October 1934) Secretary of Legation von Strempel (from December 1934)
Poland, Russia, Orient:	Consul (unassigned) Dr. Schönberg
East Asia; also Switzerland:	Consul General (unassigned) Dr. Crull (until September 1934) Senior Counsellor (unassigned) Dr. Katzenberger (from September 1934)
Scandinavia, Italy:	Regierungsrat Bogs

ECONOMIC DEPARTMENT (W)⁵

Director of Department:	Ministerialdirektor Dr. Ritter
Deputy Director:	Senior Counsellor Dr. Ulrich
Leader of delegation for negotiation of commercial treaties:	Counsellor of Embassy Dr. Hemmen
Generalreferat W:	Counsellor Baer
General economic and financial questions:	Secretary of Legation Dr. Freiherr von Maltzan

⁵ The Economic Department grew out of the previous Sonderreferat W, which had dealt with economic negotiations, economic policy and reparations, and which expanded considerably during and after 1932. Although it is not altogether clear whether it did in fact have the official title "Department" before 1936, it was often referred to as a Department and had an analogous status and internal organization; it has therefore been decided to call it "Economic Department" in this Series. Economic matters were also dealt with in the Geographical Departments (Departments II, III and IV), but although their economic files were continued until the reorganization of the Ministry in May 1936, they show, with a very few exceptions, that work on them was being done to an increasing extent by officials of the Economic Department.

The list printed above is based on a directive of 27 Oct. 1934—W 9183 (L541/L155271-73) giving details of the future organization of the department. Previously there had been only three instead of four Referate dealing with groups of countries, those of Benzler, Clodius and Kroll, the distribution of work then being:

Benzler: France and Colonies, Belgium and Colonies, Luxemburg, Netherlands and Colonies, Switzerland, Italy and Colonies, Spain and Colonies, Portugal and Colonies.

Clodius: Austria, Hungary, Czechoslovakia, Yugoslavia, Albania, Bulgaria, Rumania, Greece, Poland, China and Japan.

Kroll: Great Britain, British Dominions and Colonies, Turkey, Orient, North and South America, Scandinavia, Baltic States.

W I	France and Colonies, Luxembourg, Netherlands, and Colonies, Spain and Colonies, Portugal and Colonies:	Senior Counsellor Benzler Senior Counsellor Sabath Vice Consul Hollberg
W II	Italy and Colonies, Austria, Hungary, Czechoslovakia, Yugoslavia, Albania, Bulgaria, Rumania, Greece:	Counsellor of Legation Dr. Clodius
W III	Great Britain, British Dominions and Colonies, Turkey, Orient, North and South America:	Counsellor Dr. Kroll
W IV	Scandinavia, Baltic States, Poland, China, Japan and, as far as necessary, Russia:	Secretary of Legation Dr. Knoll
W V	Import of goods subject or about to be subject to monopoly regulations:	Secretary of Legation Kiewitz (until November 1934) Secretary of Legation Dr. Werkmeister (from December 1934)
W Spez	Economic questions relating to ethnic communities:	Senior Counsellor Seiler (until February 1935) Consul Dr. Schwager (from March 1935)
Reich Office for Foreign Trade:		Senior Counsellor (unassigned) Dr. Bosenick

Appendix III

LIST OF GERMAN FILES USED

The following table identifies the German file from which each document has been derived. The documents of the Foreign Ministry were bound into volumes by the Germans. As documents in these volumes have been microfilmed, each film of a file has been identified by a film serial number, while each page of the documents has been identified by a frame number stamped on the original at the time of filming. The documents published in this collection are identified by the film serial number and frame numbers in the upper left-hand corner of each document. By reference to the following table of film serial numbers the location in the German Foreign Ministry archives of the copy of the document used in this publication may be determined. In some few cases separate files, usually on closely related topics, have been filmed consecutively under a single serial number; these are marked by an asterisk (*). A number of serials are given as supplementary to earlier ones; these are cases where re-examination of the file in question indicated that additional filming might be useful to scholars or, as is more often the case, where in the process of editing for publication the editors wished to provide a film record of documents of lesser importance to which references appeared in the documents selected.

<i>Film Serial Numbers</i>	<i>Title of File</i>
C 85	Reich Chancellery: Great Britain.
293	Collection of Foreign Ministry Internal Circulars and Organization Tables.
1506	Supplementary to C 85.
1514	Reich Chancellery: France.
1529	Reich Chancellery: North America.
1549	Reich Chancellery: Austria.
1555	Reich Chancellery: Italy.
1572	German Embassy in Great Britain: Conversation between Sir John Simon and Hitler.
1574	State Secretary: Memoranda on Internal Directives, Views on Specific Questions, Notes, etc.
1856	Office of the Adjutants of the Führer: von Papen Correspondence.
2067	Geheimakten: Naval Attaché London.
2368	Reich Foreign Minister: Great Britain.
2406	Reich Foreign Minister: France.
2784	Reich Foreign Minister: Italy.
2860	Reich Foreign Minister: Russia.
2945	Reich Foreign Minister: Poland.
2980	Reich Foreign Minister: Hungary, Rumania, Turkey.*
3015	Reich Foreign Minister: The Netherlands, Luxemburg, Eupen-Malmedy, Switzerland, Spain, Portugal, Denmark and Schleswig, Norway, Sweden, Finland, Estonia, Lithuania, Latvia, Memel, Danzig.*
3058	Reich Foreign Minister: Saar.
3086	Reich Foreign Minister: Austria.

*Film Serial
Numbers*

Title of File

- 3087 Reich Foreign Minister: United States of America.
- 3088 Reich Foreign Minister: China.
- 3117 German Embassy in Italy: Meeting between Hitler and Mussolini in Venice.
- 3154 Reich Foreign Minister: Disarmament.
- 3241 Reich Foreign Minister: The Holy See.
- 3242 Reich Foreign Minister: Finance, Mussolini-Laval Rome Agreement Agreement on the Danubian Region. Reply to Anglo-French Communiqué, Visit to London.*
- 3598 Reich Chancellery: Cabinet Protocols.
- 3650 Reich Chancellery: Disarmament.
- 4020 German Legation in Belgium: Political Relations of Germany with France—Reports from Dr. Sieburg.
- 4601 State Secretary: Memoranda on Conversations with and Visits of non-Diplomatic Personages.
- 4602 State Secretary: Memoranda on Visits of Diplomats.
- 4606 State Secretary: Political Correspondence.
- 4619 State Secretary: Correspondence with and Memoranda by the Reich Minister.
- 4620 State Secretary: Political Correspondence with Officials of the Foreign Service.
- 4680 German Embassy in Italy: Secret Papers, 1935.
- 4923 Referat Deutschland (later Inland I Partei): The Effect of Germany's Racial Policy on her Relations with Foreign States.
- 4938 German Legation in Austria: Secret Papers.
- 4939 German Legation in Austria: Secret Papers.
- 5552 Direktoren: Meyer Papers—Upper Silesia, I.G. Companies: Miscellaneous Political Papers; Russia, Ukraine, Danzig, Upper Silesia, Poland; Danzig.*
- 5566 Geheimakten: Military Intelligence.
- 5573 Geheimakten: Military Policy.
- 5575 Geheimakten: Universal Military Service.
- 5576 Geheimakten: Military Attaché London (also Brussels and The Hague).
- 5609 Geheimakten: Military Attaché Rome (also Budapest).
- 5621 Ministerialdirektor Ritter: Great Britain.
- 5631 Ministerialdirektor Ritter: France.
- 5640 Economic Policy Department: Ulrich Papers—France.
- 5643 Ministerialdirektor Ritter: Poland.
- 5649 Economic Policy Department: Clodius Papers—United States of America.
- 5650 Economic Policy Department: Wiehl Papers—Commercial Policy Committee Minutes.
- 5667 Ministerialdirektor Ritter: Turkey.
- 5669 Department II Pol: Political Relations of France with Germany.
- 5705 Geheimakten: Military Attaché Vienna (also Berne and Sofia).
- 5708 Department II Pol: Attempts to reach an Understanding between France and Germany.
- 5717 Department II Pol: Attempts to reach an Understanding between France and Germany: Ex-Servicemen's Associations.
- 5737 Department II Pol: Political Relations of Italy with Germany.
- 5739 Department II Pol: Political Relations of Italy with Germany—Mutual Visits of Leading Statesmen.

*Film Serial
Numbers*

Title of File

- 5740 Department III Pol: Political Relations of Great Britain with Germany.
- 5752 Department IV Pol: Political Relations of Poland with Germany.
- 5881 Geheimakten: Political Relations of France with Germany.
- 5888 Geheimakten: Military Attaché Prague (also Belgrade and Bucharest).
- 5891 Geheimakten: Military Attaché Warsaw.
- 6001 Geheimakten: Political Relations of Italy with Germany.
- 6024 Department IV Pol: Political Relations of Japan with Germany.
- 6025 Department IV Pol: Political Relations of Russia with Germany.
- 6036 Geheimakten: Italy—Mutual Visits of Leading Statesmen.
- 6038 Geheimakten: Political Relations of Italy with Yugoslavia.
- 6063 Geheimakten: Trade Treaty Relations of Yugoslavia with Germany.
- 6064 Geheimakten: Political Relations of Yugoslavia with Germany.
- 6065 Geheimakten: Disturbance of German-Yugoslav Relations by the Croat *Emigrés*.
- 6079 Geheimakten: Austria—Internal Politics, Parliament and Parties.
- 6081 Geheimakten: Austria—Reports by Minister von Papen to the Führer.
- 6111 Geheimakten: Austria—National Socialism.
- 6112 Geheimakten: Austria—National Socialism, Acts of Terrorism.
- 6114 Geheimakten: Austria—National Socialism, Negotiations to achieve Unity.
- 6115 Geheimakten: Austria—National Socialism, Austrian Legion.
- 6116 Geheimakten: Austria—National Socialism, Economic Measures.
- 6121 Geheimakten: Political Relations of Rumania with Germany.
- 6133 Geheimakten: Austria—Relief for Austrian Refugees.
- 6144 Geheimakten: Czechoslovakia—Nationality Question, Foreign Communities.
- 6161 Geheimakten: Political Relations of Great Britain with Germany.
- 6177 Geheimakten: Agreement with Poland on the Renunciation of Force in the Settlement of Disputes.
- 6197 Geheimakten: Poland—Nationality Question, Foreign Communities.
- 6203 Geheimakten: Financial Relations of Danzig with Germany.
- 6207 Geheimakten: Danzig—Internal Politics.
- 6213 Geheimakten: Poland—Mining Industry in Upper Silesia.
- 6429 Department II Pol: League of Nations Section—German Society for League of Nations Questions.
- 6483 Economic Policy Department: Wiehl Papers—South America.
- 6583 Economic Department: Treaties with Argentina.
- 6601 Geheimakten: Political Relations of Danzig with Poland.
- 6609 Geheimakten: Political Relations of Russia with Germany.
- 6615 Geheimakten: Political Relations of Russia with France.
- 6680 Geheimakten: China—Barter Transactions and Economic Agreements, Klein's Projects.
- 6691 Geheimakten: Far East—General.
- 6692 Geheimakten: The Question of the Recognition of Manchukuo.
- 6693 Geheimakten: Far East—The Heye Case.
- 6695 Geheimakten: Franco-Russian Proposals for an Eastern Pact.
- 6990 Referat Deutschland: Organization of Duties within Referat Deutschland.
- 7072 Economic Policy Department: Clodius Papers—China.
- 7188 Reich Chancellery: Foreign Loans and Credits.
- 7264 Economic Department: Foreign Exchange—Germany and Great Britain.

*Film Serial
Numbers*

Title of File

- 7265 Supplementary to 7264.
- 7456 Department II F Abr: Naval Conference 1935.
- 7466 Department II F Abr: Commissioner for Disarmament, Herr von Ribbentrop.
- 7467 Department II F Abr: Mussolini's Proposals and Disarmament Negotiations after Germany's Withdrawal from the Disarmament Conference.
- 7475 Department II F Abr: Security.
- 7476 Department II F Abr: Security Question and Guarantees of Implementation at the Disarmament Conference, June–September 1934.
- 7477 Department II F Abr: Reorganization of the German Wehrmacht.
- 7562 Reich Chancellery: Security.
- 7609 Press Department: Measures to influence the Press in Great Britain, Propaganda etc. (Secret).
- 7641 Department II F Abr: Committees, General.
- 7642 Supplementary to 5576.
- 7644 Department II F Abr: Negotiations on Expenditure during the Disarmament Conference of 1932.
- 7687 Department II F Abr: Negotiations on Disarmament after Germany's withdrawal from the League of Nations.
- 7692 Department II FM: Universal Military Service.
- 7704 Supplementary to C 85, 1506.
- 7721 Supplementary to 7264, 7265.
- 7725 Department II Pol: The Netherlands—National Socialism, Fascism and similar Movements.
- 7787 Department II W: Trade Treaty Relations of France with Germany.
- 7790 Naval Archives: SK 20—Naval Conference 1935–1936, Preliminary Negotiations.
- 7792 Naval Archives: League of Nations Group—Miscellaneous Secret Papers; Discussions between the Reichswehr Minister and the Chief of the Naval Command and between the Chiefs of the Naval and Army Commands.*
- 7807 Department II Pol: Political Journeys of Foreign Statesmen and other important Personages—French Foreign Minister Barthou.
- 7809 Department II W: France—Imports, Exports and Transit Trade.
- 7810 Supplementary to 5881.
- 7811 Department II Pol: France—Ministries.
- 7819 Department II Pol: Political Relations of France with Italy.
- 7823 Department II Pol: New Declaration by the Great Powers guaranteeing the Independence of Austria—Negotiations at Geneva.
- 7824 Supplementary to 7823.
- 7825 Department II Pol: Meeting between Laval and Mussolini in Rome and Repercussions (Pact of Non-Intervention).
- 7827 Department II Pol: Assassination of King Alexander I of Yugoslavia at Marseilles.
- 7828 Department II BG: Saar Territory—French Forces.
- 7840 Department II Pol: Political Relations of France with Poland.
- 7876 Geheimakten: Defence.
- 7879 Department II BG: Rhineland—Neutral Zone.
- 7893 Department II FM: Demilitarization of the Saar Territory.
- 7894 Department II BG: Saar Plebiscite.

*Film Serial**Numbers**Title of File*

- 7899 Press Department: Strasbourg Radio.
- 7947 Department II BG: Saar Plebiscite—Negotiations with the Committee of Three.
- 7948 Department II BG: Saar Territory—General Questions relating to Civil Servants.
- 7949 Department II BG: Saar Plebiscite—International Forces.
- 7952 Department II BG: Political Affairs, *Emigrés* in the Saar Territory.
- 7953 Department II BG: Saar Territory—French Administration of Mines, Coal.
- 7954 Department II BG: Return of the Saar Territory, 1935.
- 7956 Department II BG: Activities of the Saar Plenipotentiary.
- 7960 Department II BG: Saar Territory—Church Affairs.
- 7993 Department II F Abr: Armaments Industry.
- 8014 Department III Pol: Political Relations of Ethiopia with Germany.
- 8015 Department III Pol: Political Relations of Ethiopia with Italy.
- 8025 Department III Pol: Ethiopia—Military Affairs.
- 8031 Supplementary to 6036.
- 8035 Supplementary to 1555.
- 8040 Department II Pol: Italy—General Foreign Policy.
- 8046 Supplementary to 5739.
- 8048 Department II Pol: Political Relations of Italy with Austria.
- 8050 Department II Pol: Political Relations of Italy with Hungary.
- 8054 German Embassy in Italy: Political Relations of Italy with Germany.
- 8069 Department II F Luft: Reports from von Waldau.
- 8113 Department II Pol: Political Relations of the Holy See with Italy.
- 8115 Department II Pol: Holy See—Conclusion of Concordats with Germany and the German Länder (except Prussia).
- 8116 Department II Pol: Attitude of the Holy See towards Bolshevism, Communism, Socialism, Fascism, National Socialism etc.
- 8118 Reich Chancellery: Concordats.
- 8124 Department II Pol: Attitude of the Holy See towards Education.
- 8125 German Embassy to the Holy See: Reich Concordat.
- 8205 Supplementary to 6691.
- 8206 Supplementary to 6695.
- 8207 Department II F Abr: Air Disarmament—Civil Aviation.
- 8208 Department II F Abr: Eastern Pact—Franco-Russian and Czech-Russian Pacts.
- 8211 German Embassy in France: Papers of Ambassador Köster—François-Poncet.
- 8214 Economic Department: Foreign Exchange—Germany and France.
- 8301 Supplementary to 6693.
- 8448 Economic Department: Foreign Exchange—Germany and Belgium.
- 8453 Economic Department: Treaties with Belgium and Luxemburg.
- 8468 Department II Pol: Political Relations of Belgium with Germany.
- 8539 Press Department: Ban on Newspapers from Switzerland.
- 8542 Press Department: Ban on German Newspapers.
- 8554 Department II Pol: Political Relations of Switzerland with Germany.
- 8557 Economic Department: Foreign Exchange—Germany and Switzerland.
- 8580 Department IV Pol: China—Military Affairs.
- 8597 Economic Department: Foreign Exchange—Germany and the United States of America.
- 8620 Department II Pol: League of Nations Section—Turkey.

*Film Serial
Numbers*

Title of File

- 8626 Department III Pol: Political Relations of Turkey with Germany.
- 8627 Economic Department: Foreign Exchange—Germany and Turkey.
- 8638 Supplementary to 6112.
- 8642 Department II Pol: Austria—Political Journeys of Foreign Statesmen and other Important Personages.
- 8645 Department II Pol: Austria—Internal Politics, Parliament and Parties.
- 8648 Department II Pol: Austria—Germany's Attitude towards the Putsch of July 25, 1934.
- 8649 Department II Pol: Austria—Italy's Attitude towards the Putsch of July 25, 1934.
- 8650 Department II Pol: Austria—Attitude of Foreign Countries towards the Putsch of July 25, 1934.
- 8651 Department II Pol: Austria—Relief Measures for Refugees from Austria after the Putsch of July 25, 1934, and their Next-of-Kin.
- 8652 Department II Pol: Austrian Brown Book on the Putsch of July 25, 1934, and German Measures to counter Austrian Accusations.
- 8654 Department II Pol: Austria—Ministries.
- 8658 Department II Pol: Austria—Ingenieur Reinthaller and the NSDAP in Austria.
- 8662 Department II Pol: Austria—National Socialism, Austrian Complaints.
- 8668 Department II Pol: Austria—National Socialism, Frontier Incidents.
- 8672 Department II Pol: Austria—National Socialism, Relief Organization of the Austro-Germans in Germany.
- 8673 Department II Pol: Austria—Propaganda Activities of Party Organizations Abroad against the Austrian Government.
- 8676 Supplementary to 4939.
- 8729 Department III W: German Trade Delegation to South America, General.
- 8731 Department III W: Trade Treaty Relations of South America with Germany.
- 8739 Economic Department: Treaty with Belgium.
- 8760 German Embassy in France: Eastern Pact.
- 8772 Department VI: The *Volksdeutsch* Council.
- 8790 Referat Deutschland (later Inland II A-B): Boycott of German Goods in Foreign Countries.
- 8810 Department IV Pol: International Political Problems—League of Nations.
- 8813 Department IV W: Trade Relations of Russia with France.
- 8814 Supplementary to 6695.
- 8825 Direktoren: Meyer Papers—Danzig, Political.
- 8826 Direktoren: Meyer Papers—Danzig, Finance and Currency.
- 8844 Supplementary to 6112, 8638.
- 8889 Economic Department: Foreign Exchange—Germany and Japan.
- 8911 Department II Pol: Political Relations of Czechoslovakia with Germany
- 8921 Department IV Pol: Political Relations of Lithuania with Memel.
- 8930 Department IV Pol: Far East—Nationalities, Minorities.
- 8940 Supplementary to 5609.
- 8941 Supplementary to 6112, 8638, 8844.
- 8947 Supplementary to 8673.
- 8970 German Embassy in Italy: Peace Treaty, Plebiscite Areas—Saar Territory.

*Film Serial
Numbers**Title of File*

- 8971 Economic Policy Department: von Maltzan Papers—Italy, Economic and Financial Affairs.
- 8979 Supplementary to 8651.
- 8987 Economic Department: Barter Transactions, Compensation Agreements etc. between Germany and Manchukuo.
- 9008 Reich Chancellery: Lithuania.
- 9023 Department IV Pol: Estonia—Internal Politics, Parliament and Parties.
- 9037 Economic Department: Currency and Foreign Exchange Policy.
- 9061 Department IV W: Customs Relations of Danzig with Poland.
- 9072 Reich Chancellery: Fulfilment of Peace Treaty—Cession of Danzig.
- 9074 Department II FM: War Material.
- 9081 Department IV Pol: Political Relations of Danzig with Poland.
- 9084 Department IV W: Economic Relations of Danzig with Poland.
- 9087 Consulate General in Danzig: Conversations with the High Commissioner, 1935.
- 9093 German Embassy in Poland: Interessengemeinschaft Kattowitz—Secret.
- 9102 Department III Pol: Great Britain—Various Personages.
- 9103 Press Department: Measures to enhance German Prestige in Britain.
- 9110 Supplementary to 7825.
- 9115 Supplementary to 7823, 7824.
- 9119 Economic Department: Loans and Securities.
- 9140 Referat Deutschland (later Inland II A-B): The Black Front (Otto Strasser): The Black Front Short Wave Transmitter in Prague (Murder of Formis).*
- 9144 Department II Pol: Czechoslovakia—Internal Politics, Parliament and Parties.
- 9149 Department II Pol: Czechoslovakia—Nationalities, Foreign Minorities.
- 9171 Department VI: Fostering of the German Community in Poland.
- 9172 German Embassy in Poland: Railway Payments to Poland arising from Transit Traffic through the Corridor.
- 9180 Press Department: Danzig—Press and Propaganda, General.
- 9190 Department IV Pol: Poland—Nationalities and Language Question, Foreign Communities.
- 9200 Department IV: Treaties—Poland.
- 9238 Reich Chancellery: Foreign Trade, Imports and Exports.
- 9241 Economic Department: Reparations—Question of the Continuation of Payment to the United States of America of the Mixed Claims Annuities. Occupation Cost Annuities.
- 9252 Economic Department: The German Transfer Moratorium of June 14, 1934.
- 9270 Economic Department: Export Credits Insurance, "Hermes" Insurance Bank.
- 9272 Economic Department: Foreign Trade in General.
- 9295 Department VI: Minorities and the League of Nations—Efforts to abolish the Minorities Protection Treaties.
- 9296 Reich Foreign Minister: Memoranda of the State Secretary.
- 9335 Supplementary to 7993.
- 9350 Department II Pol: Yugoslavia—Internal Politics, Parliament and Parties.
- 9356 Department II Pol: Political Relations of Yugoslavia with Germany.

*Film Serial
Numbers*

Title of File

- 9375 Department IV W: Customs Tariff and Economic Negotiations of Russia with Germany.
- 9387 Department IV W: Trade Relations of Russia with Germany.
- 9398 Department IV W: Poland—Upper Silesia, Imports, Exports and Transit Trade.
- 9450 Referat Deutschland (later Inland II A-B): Dismissal of Jews from Administrative Posts.
- 9452 Department IV Pol: German Diplomatic and Consular Representation in Russia.
- 9453 Department II Pol: League of Nations Section—Russia.
- 9454 Department IV Pol: Russian Diplomatic and Consular Representation in Germany.
- 9458 Department IV Pol: Russia—General Foreign Policy.
- 9494 Supplementary to 9037.
- 9508 Economic Department: State Finance, General.
- 9509 Supplementary to 9119.
- 9510 Economic Department: Foreign Exchange—Germany and the Netherlands.
- 9511 Economic Department: Foreign Exchange—Germany and Italy.
- 9536 Economic Department: Trade Treaty Relations of Russia with Germany.
- 9557 Supplementary to 8542.
- 9559 Press Department: Measures to enhance German Prestige in Czechoslovakia.
- 9564 Department II Pol: Political Relations of Hungary with Germany.
- 9567 Department II Pol: Political Relations of Hungary with Poland.
- 9572 Department II Pol: Hungary—Nationality Questions, Foreign Communities.
- 9588 Department II Pol: Political Relations of Rumania with Germany.
- 9589 Department II Pol: Incidents between German and Rumanian Nationals.
- 9608 Department II Pol: Little Entente.
- 9609 Supplementary to 8626.
- 9614 Reich Chancellery: Hungary.
- 9616 Supplementary to 7188.
- 9629 Economic Department: German-Swiss Agreement, July 26, 1934.
- 9630 Economic Department: German-Italian Agreements, September 1934–December 1936.
- 9631 Economic Department: German-French Agreements, July 1934–July 1935.
- 9633 Economic Department: German-Dutch Agreement, Aug. 31, 1934.
- 9635 Economic Department: German-British Agreement, Nov. 1, 1934.
- 9636 Economic Department: German-Dutch Agreement, Sept. 21, 1934.
- 9643 Economic Department: German-British Agreement, Aug. 10, 1934.
- 9659 Supplementary to 5752.
- 9692 Economic Department: Foreign Exchange—Germany and Rumania.
- 9696 Department II W: Trade Treaty Relations of Rumania with Germany.
- 9697 Economic Department: Barter Transactions and Trade Agreements between Germany and Rumania.
- 9722 German Legation in Hungary: Nationalities in Hungary, German Minorities.

*Film Serial
Numbers*

Title of File

- 9743 Department II FM: Position of the Technical Experts envisaged in the Geneva Protocol of Dec. 12, 1926.
- 9765 Supplementary to 8921.
- 9785 Reich Chancellery: Colonies.
- 9816 Supplementary to 8921, 9765.
- 9821 Supplementary to 8214.
- 9825 Economic Department: Treaties with the Netherlands, December 1932–August 1934.
- 9930 Naval Archives: I SKL Io/I op—Operational Studies, Reports etc.
- 9937 Army Archives: Foreign Policy.
- 9945 Naval Archives: I SKL Io/I op—Out of date Operational Instructions and Orders.
- 9958 German Embassy in Italy: Political Relations of Italy with Austria.
- 9959 Supplementary to 5737.
- 9964 Economic Department: German-French Agreement, Dec. 24, 1932.
- 9966 Supplementary to 7825, 9110.
- 9967 Supplementary to 8662.
- 9985 Department II Pol: Political Relations of Austria with Hungary.
- 9986 Supplementary to 8658.
- 9987 Department II Pol: Austria—Smuggling of Explosives into Austria across Lake Constance.
- K 515 Supplementary to 9508.
- K 900 Political Archives: Office Circulars.
- K 903 Economic Department: Foreign Exchange—Germany and Portugal.
- K 904 Economic Department: Foreign Exchange—Germany and Spain.
- K 905 Economic Department: Foreign Exchange—Germany and Argentina.
- K 906 Economic Department: Foreign Exchange—Germany and Brazil.
- K 907 Economic Department: Foreign Exchange—Germany and Chile.
- K 908 Economic Department: Foreign Exchange—Germany and Colombia.
- K 909 Economic Department: Foreign Exchange—Germany and Ecuador.
- K 910 Economic Department: Foreign Exchange—Germany and Peru.
- K 911 Economic Department: Foreign Exchange—Germany and Uruguay.
- K 912 Economic Department: Foreign Exchange—Germany and Venezuela.
- K 913 Economic Department: Barter Transactions and Compensation Agreements between Germany and Brazil.
- K 914 Economic Department: Trade Treaty Relations of Colombia with Germany.
- K 915 Department III W: Trade Treaty Relations of Colombia with Germany.
- K 916 Supplementary to 9508, K 515.
- K 917 Supplementary to 7188, 9616.
- K 918 Department IV Pol: Russia—Arrest and Release of Germans, Fuchs.
- K 995 Department II Pol: League of Nations Section—*Völkerbund und Völkerrecht*.
- K 996 Department II Pol: League of Nations Section—International Federation of League of Nations Societies.
- K 1000 Department VI: German Society for the Rights of National Groups.
- K 1001 Department VI: League of German Racial Groups in Europe.
- K 1005 Department VI: Internal Organization and Institutes for the fostering of German Communities Abroad.
- K 1006 Department VI: Institute for Frontier and Foreign Studies.
- K 1052 Department III Pol: Political and Cultural Propaganda in the United States of America.

*Film Serial**Numbers**Title of File*

- L 432 Department VI: Evangelical Church Affairs.
- L 434 Reich Chancellery: Evangelical Church.
- L 541 Department IV: Division of Duties in the Foreign Ministry and Questions of Competence.
- M 2 Department II Pol: Political Relations of France with Yugoslavia.
- M 3 Department II Pol: Rumania—Statesmen.
- M 7 Department II F: Supplementary to 5705.
- M 8 Department III Pol: Great Britain—Journalists.
- M 9 Supplementary to 7787.
- M 10 Department II F Abr: Material on/from France.
- M 11 German Embassy in France: Papers of Ambassador Köster—London Communiqué.
- M 12 Supplementary to 9008.
- M 13 Supplementary to 9081.
- M 18 Department IV Pol: Danzig—Internal Politics, Parliament and Parties.
- M 19 Department IV Pol: Danzig—Press Affairs.
- M 22 Reich Foreign Minister: Miscellaneous.
- M 23 Geheimakten: Czechoslovakia—National Socialism.
- M 24 Supplementary to 5669.
- M 25 Supplementary to 7947.
- M 26 Supplementary to 7949.
- M 27 Supplementary to 7828.
- M 28 Department II BG: Saar Territory—Press.
- M 29 Department II BG: Saar Territory—Economic Matters.
- M 30 Supplementary to 7899.
- M 31 German Embassy in France: Papers of Ambassador Köster—Saar.
- M 32 German Embassy in Italy: Plebiscite Areas—Saar Territory.
- M 33 Supplementary to 7477.
- M 35 Supplementary to 8069.
- M 36 German Embassy in Italy: Secret Papers—Military Matters.
- M 38 German Embassy in France: Papers of Ambassador Köster—Disarmament.
- M 40 Department II BG: Saar Plebiscite—Attitude of the Foreign Press.
- M 43 Department II BG: Rhineland—Neutral Zone.
- M 44 Supplementary to 5881, 7810.
- M 45 Supplementary to 5717.
- M 46 Department II Pol: France—Military Matters.
- M 47 Supplementary to 8921, 9765, 9816.
- M 48 Supplementary to 8211.
- M 49 German Embassy in France: Ex-Servicemen.
- M 50 Reich Chancellery: Military Affairs—Miscellaneous.
- M 51 Department II Pol: Discrimination against Germans in the French Zone of Morocco and in Tangier.
- M 52 Reich Chancellery: Foreign Trade—South America.
- M 53 Supplementary to 7264, 7265.
- M 54 Supplementary to 9252.
- M 55 Supplementary to 9037, 9494.
- M 58 Supplementary to 9270.
- M 59 Economic Department: Foreign Exchange—Germany and France.
- M 60 Economic Department: Foreign Exchange—Germany and Sweden.
- M 61 Economic Department: German-Swedish Agreement, Sept. 19, 1932.

*Film Serial
Numbers*

Title of File

- M 62 German Legation in Switzerland: Swiss Neutrality.
- M 63 Supplementary to 8539.
- M 64 Supplementary to 5573.
- M 65 Supplementary to 9037, 9494, M 55.
- M 66 Economic Department: Foreign Trade in General.
- M 67 Department II, Treaties: The Netherlands—Trade Agreement, Dec. 15, 1933.
- M 68 Department IV, Treaties: Denmark—Trade Agreement, March 1, 1934.
- M 69 Economic Department: Exchange of Notes between Germany and Uruguay relating to Agreement of Nov. 13, 1934.
- M 72 Department II, Treaties: Switzerland.
- M 77 Economic Department: German-Italian Agreements, June 15 and Oct. 17, 1932.
- M 78 Economic Department: German-Norwegian Agreement, Jan. 9, 1933.
- M 79 Economic Department: German-Finnish Agreement, Jan. 21, 1933.
- M 80 Economic Department: German-Spanish Agreement, Feb. 18, 1933.
- M 81 Economic Department: German-Portuguese Agreement, Oct. 6, 1933.
- M 89 Department III: Division of Duties in the Foreign Ministry and Questions of Competence.
- M 91 Supplementary to 9270, M 58.
- M 103 Department IV Pol: Political Relations of Russia with Switzerland.
- M 104 Department IV Pol: Political Relations of Lithuania with Memel.
- M 110 Supplementary to 8662, 9967.
- M 112 German Air Ministry Archives: Training Department, Statistics.
- M 119 Supplementary to 9630.
- M 120 Supplementary to 7477, M 33.
- M 121 Department II Pol: League of Nations Section—Germany, Armaments.
- M 122 German Consulate General in Danzig: Measures for the Rehabilitation of the Danzig State Finances (Emergency Credits).
- M 182 Referat Deutschland: Effect of the National Awakening [*Erhebung*] on the German Colonies within the Jurisdiction of the German Missions Abroad.
- M 183 Press Department: Collection of Miscellaneous Documents, 1934.
- M 184 Press Department: Press, Propaganda and General Affairs, United States (Secret).

Appendix IV

LIST OF PRINCIPAL PERSONS¹

- ALEXANDER I**, King of Yugoslavia, succeeded to the throne August 1921; assassinated by a Croat terrorist at Marseilles on October 9, 1934.
- ALOISI**, Pompeo Baron, *Chef du cabinet* of the Italian Foreign Ministry, Italian representative on the Council of the League of Nations, and *rapporteur* on Saar matters; on January 20, 1934, became chairman of the Committee of Three of the League Council, appointed to deal with the preparation for and the carrying out of the Saar Plebiscite.
- ARAS**, Tewfik Rüstü (Tewfik Rüstü Bey), Turkish Foreign Minister.
- ASCHMANN**, Gottfried, Senior Counsellor, Head of the Press Department in the German Foreign Ministry.
- ATTOLICO**, Bernardo, Italian Ambassador in the Soviet Union.
- BALDWIN**, Stanley, Leader of the British Conservative Party; Lord President of the Council in the National Government from November 10, 1931; Prime Minister June 7, 1935–May 28, 1937, in succession to Ramsay MacDonald.
- BARTHOU**, Louis, chairman of L'union démocratique et radicale in the French Senate; Foreign Minister in the Doumergue Government February 9, 1934–October 9, 1934, when he was assassinated with King Alexander of Yugoslavia at Marseilles.
- BECK**, Józef, Colonel, Polish Foreign Minister.
- BECK**, Ludwig, Lieutenant General, Chief of the Truppenamt in the Reichswehr Ministry.
- BENEŠ**, Eduard, Czechoslovak Foreign Minister 1918–1935; President of the Republic in succession to Masaryk December 18, 1935–October 5, 1938.
- BERGEN**, Diego von, German Ambassador to the Holy See.
- BERGER**, Hugo Fritz, Ministerialrat in the Reich Finance Ministry.
- BERGER-WALDENEGG**, Egon Freiherr von, Austrian Minister of Justice July 11–29, 1934; Foreign Minister July 29, 1934–May 14, 1936.
- BIANCHERI**, Augusto, substitute Italian representative on the Council of the League of Nations.
- BISMARCK**, Otto Prince von, Counsellor at the German Embassy in Great Britain.
- BLOMBERG**, Werner von, Colonel General, German Reichswehr Minister.
- BÖCKMANN**, Herbert von, Lieutenant Colonel, of the Foreign Department (Abteilung Ausland) of the Reichswehr Ministry.
- BOHLE**, Ernst Wilhelm, Gauleiter and Head of the Auslandsorganisation of the NSDAP on the Staff of the Führer's Deputy.
- BÜLOW**, Bernhard von, State Secretary of the German Foreign Ministry.
- BÜRCKEL**, Josef, Gauleiter of the Palatinate and the Saar from May 1933, also Saar Plenipotentiary from July 26, 1934.
- CANTERBURY**, Archbishop of, Dr. Cosmo Gordon Lang.
- CAROL II**, King of Rumania; renounced all his rights to the throne in favour of his son, Michael, who was proclaimed Heir Apparent in January 1926 and King on July 20, 1927, on the death of his grandfather King Ferdinand I (of Hohenzollern); Carol returned to Rumania in 1930, the Acts excluding

¹ The biographical details given relate principally to the period and subjects covered by the documents in this volume.

him from the throne were annulled and he ascended the throne on June 8, 1930.

CERRUTI, Vittorio, Italian Ambassador in Germany from October 1932.

CHAMBERLAIN, Neville, British Conservative M.P., Chancellor of the Exchequer in the National Government November 10, 1931–June 7, 1935, and from June 7, 1935–1937 in the Baldwin Government which followed.

CHAMBRUN, Louis-Charles Comte de, French Ambassador in Italy.

CHIANG KAI-SHEK, Marshal, Commander in Chief of the Chinese Armed Forces, Member of the Council of State of the Chinese Nationalist Government.

CHICHESTER, Bishop of, Dr. G. K. A. Bell, Chairman of the Universal Christian Council for Life and Work.

CIANO, Nobile Galeazzo, Italian Under-Secretary of State for Press and Propaganda.

COMNEN, see PETRESCU-COMNEN.

DARRÉ, Richard-Walther, Reich Minister of Food and Agriculture and Head of the Reich Food Estate (Reichsnährstand).

DEHN-SCHMIDT, Georg von, German Minister in Rumania from September 8, 1934.

DIECKHOFF, Hans-Heinrich, Ministerialdirektor, Director of Department III of the German Foreign Ministry.

DINICHERT, Paul, Swiss Minister in Germany.

DIRKSEN, Herbert von, German Ambassador in Japan.

DODD, William Edward, United States Ambassador in Germany.

DOLLFUSS, Engelbert, Austrian Federal Chancellor from May 1932; assassinated July 25, 1934. Combined this office with that of Foreign Minister and Minister for Agriculture and Forestry during the whole period of his Chancellorship; in addition for short periods in 1933 and again in 1934 also held the Ministries of Public Security and Defence. In 1933 founded Fatherland Front to embrace all Austrian political parties supporting his Government.

DOUMERGUE, Gaston, French Minister President in the Government of National Union February 9–November 8, 1934; he had been President of the Republic 1924–1931.

DREYSE, Friedrich, Vice President of the Reichsbank.

DRUMMOND, Sir Eric, British Ambassador in Italy, formerly Secretary General of the League of Nations.

EDEN, Anthony, British Conservative M.P., Parliamentary Under-Secretary of State for Foreign Affairs in the National Government November 10, 1931–December 31, 1933; Lord Privy Seal without Cabinet rank on January 1, 1934, whilst remaining closely associated with the Foreign Office, especially in connection with the work of the League of Nations. In the Baldwin Government of June 7, 1935, he retained office as Lord Privy Seal but was promoted to Cabinet rank with title of Minister without Portfolio for League of Nations Affairs; Foreign Secretary from December 22, 1935, in succession to Sir Samuel Hoare.

EISENLOHR, Ernst, German Minister in Greece.

ERBACH-SCHÖNBERG, Viktor Prinz zu, Counsellor at the German Legation in Austria.

FALKENHAUSEN, Alexander von, German General (retired), military adviser to the Chinese Government.

FEY, Emil, Major, Heimwehr Leader; included in Dollfuss Government in charge of Public Security in October 1932, became Vice Chancellor September 1933 relinquishing post of Minister of Public Security to Dollfuss; appointed on January 11, 1934, to supreme control of executive forces to co-ordinate measures for dealing with outrages and disturbances; on May 1, 1934, relinquished Vice Chancellorship to Starhemberg but remained in Government

as Minister of Public Security; on July 11, 1934, when Dollfuss assumed Ministry of Public Security, became General State Commissioner for Public Security. In the Schuschnigg Government of July 30, 1934, became Minister of the Interior retaining this post until October 1935.

FISCHER, Herbert, Major General, German Military Attaché in Italy and Hungary.

FLANDIN, Pierre-Etienne, French Deputy, chairman from 1936 of the Alliance démocratique in the French Chamber; Chairman of the Républicains de gauche; Minister of Public Works in the Doumergue Cabinet February 9–November 8, 1934. Minister President in the Government of National Union November 8, 1934–May 30, 1935.

FORSTER, Albert, Gauleiter of Danzig.

FORSTER, Dirk, Counsellor at the German Embassy in France.

FRANÇOIS-PONCET, André, French Ambassador in Germany.

FRAUENFELD, Alfred, former Austrian National Socialist district leader of Vienna, arrested in December 1933 on suspicion of high treason, released in January 1934; fled to Germany in May 1934.

FRICK, Wilhelm, Reich and Prussian Minister of the Interior.

FRICTH, Werner Freiherr von, General, Chief of the German Army Command.

FUNK, Walther, Press Chief of the Reich Government and State Secretary in the Reich Ministry for Propaganda.

GAUS, Friedrich, Ministerialdirektor, Director of Department V in the German Foreign Ministry.

GEORGE V, King of Great Britain, Ireland and the British Dominions beyond the Seas, Emperor of India; succeeded to the British throne on May 6, 1910; died January 20, 1936.

GEYR VON SCHWEPPEBURG, Leo Freiherr, Colonel, German Military Attaché in Great Britain, Belgium and the Netherlands.

GOEBBELS, Dr. Joseph, Reich Minister for Popular Enlightenment and Propaganda.

GÖMBÖS, Gyula de, General, Hungarian Minister President and Minister of National Defence.

GÖRING, Hermann Wilhelm, General, Minister President and Minister of the Interior of Prussia; Commander in Chief of the Prussian Police and the Secret State Police January 1933–April 1934; Reich Air Minister from April 1933.

GREISER, Artur, Deputy President of the Danzig Senate until November 28, 1934, when he succeeded Rauschnig as President.

HABICHT, Theodor, Member of the German Reichstag; appointed by Hitler as Landesinspekteur for Austria August 1932–July 1934; Leader of the National Socialist Party there; deported to Germany on June 14, 1933.

HAILSHAM, Viscount, Sir Douglas Hogg, British Secretary of State for War, Leader of the House of Lords.

HASELL, Ulrich von, German Ambassador in Italy.

HEEREN, Viktor von, German Minister in Yugoslavia.

HENLEIN, Konrad, Leader of the Sudeten German Homeland Front (Sudeten-deutsche Heimatfront) founded September 30, 1933, to replace the Sudeten German National Socialist Party which had been dissolved by the Czechoslovak authorities in October 1932.

HERRIOT, Edouard, Deputy for Lyon, Leader of French Radical Socialist Party; Minister President and a member of various Cabinets 1916–1936; Minister of State without Portfolio in the Doumergue and Flandin Cabinets of National Union, February 9, 1934–May 30, 1935.

HESS, Rudolf, Reich Minister, the Führer's Deputy.

HEYE, Ferdinand H., founder of the firm of Eisenträger, Heye & Co. at Harbin, acting German Commissar for economic relations with Manchukuo.

- HIMMLER, Heinrich, Reichsführer of the SS from 1929, Commander of all Political Police units outside Prussia from September 1933; also Commander of the Prussian Police and Secret State Police (formerly under Göring) from April 1934; appointed by Hitler to be Head of the Reich Police in the Reich Ministry of the Interior June 17, 1936.
- HINDENBURG, Paul von, Field Marshal, President of the Reich from May 12, 1925, until his death on August 2, 1934.
- HITLER, Adolf, Chancellor of the Reich; Head of the State with the title of Führer and Chancellor of the Reich from August 2, 1934.
- HOESCH, Leopold von, German Ambassador in Great Britain.
- HORTHY DE NAGYBÁNYA, Miklós, Admiral, Regent of Hungary.
- HULL, Cordell, United States Secretary of State.
- HYMANS, Paul, Belgian Foreign Minister until March 19, 1935.
- JEVTIĆ, Bogoljub, Yugoslav Foreign Minister until December 21, 1934, then Minister President and Foreign Minister.
- KÁNYA, Kálmán de, Hungarian Foreign Minister.
- KEMAL PASHA, Mustafa, President of the Turkish Republic.
- KEPPLER, Wilhelm, the Führer's Commissioner for Economic Affairs in the Reich Chancellery.
- KERCHOVE DE DENTERGHEM, Comte de, Belgian Minister in Germany.
- KERRL, Hanns, Prussian Minister of Justice April 21, 1933–June 17, 1934, then Reich Minister without Portfolio.
- KIRCHHOLTES, Hans, German Minister in Ethiopia from March 12, 1935.
- KLEIN, Hans, businessman with large trading interests in Central Africa before the 1914–1918 War; became head of the Stahlindustrie und Maschinenbau Aktiengesellschaft (STAMAG), which was subsequently split into two companies: (1) Geräte-und Apparate-Handelsgesellschaft (GERAP) and (2) Handelsgesellschaft für Industrielle Produkte (HAPRO); in 1934 Klein had large holdings in the latter company.
- KNOX, Geoffrey George, member of the British Diplomatic Service from 1906; Chairman of the Governing Commission of the Saar Territory April 1, 1932–March 1, 1935.
- KOCH, Walter, German Minister in Czechoslovakia.
- KÖPKE, Gerhard, Ministerialdirektor, Director of Department II in the German Foreign Ministry.
- KÖSTER, Roland, German Ambassador in France.
- KRAUEL, Wolfgang, German Consul at Geneva.
- KROFTA, Kamil, Czechoslovak Deputy Foreign Minister.
- LAMMERS, Hans Heinrich, State Secretary and Head of the Reich Chancellery.
- LAVAL, Pierre, member of numerous French Cabinets from 1925; Independent Senator 1927–1940; Minister President 1931–1932; Minister of Colonies in Doumergue Cabinet February 9–October 13, 1934, Foreign Minister in succession to Barthou (*q.v.*) October 13–November 9, and retained office as Foreign Minister in the Flandin Cabinet November 9, 1934–May 30, 1935.
- LEGER, Alexis, Secretary General of the French Foreign Ministry.
- LEITH-ROSS, Sir Frederick, British representative on Finance Board of the Reparation Commission set up under the Treaty of Versailles 1920–1925; Principal British Financial Representative at Hague Conferences 1929 and 1930; Chairman of International Committee on Inter-Governmental Debts 1931; Member of the Economic Committee of the League of Nations from 1932 (Chairman, 1936–1937); Chief Economic Adviser to the British Government from 1932.
- LESTER, Seán, Permanent Delegate for the Irish Free State accredited to the League of Nations 1929–1934; League of Nations High Commissioner in the Free City of Danzig 1934–1937.

- LIPSKI, Józef, Polish Minister in Germany, Ambassador from November 15, 1934.
- LITVINOV, Maxim Maximovich, Peoples' Commissar for Foreign Affairs in the Soviet Union 1930-1939.
- LOTHIAN, Marquess of, Philip Henry Kerr, British Liberal politician and Secretary to the Rhodes Trust; he had been Secretary to the Prime Minister, Lloyd George, 1918-1921.
- LUTHER, Hans, German Ambassador in the United States.
- LUTZE, Viktor, Chief of Staff of the SA from July 1, 1934.
- MACDONALD, James Ramsay, British Labour, then National Labour, M.P.; Prime Minister of the Labour Government 1929-1931, and of the National Government November 10, 1931-June 7, 1935.
- MACKENSEN, Hans-Georg von, son of Field Marshal von Mackensen, German Minister in Hungary.
- MANOLESCU-STRUNGA, Ion, Rumanian Minister of Commerce from October 2, 1934.
- MASARYK, Thomas Garrigue, President of the Czechoslovak Republic, elected first President of the Czechoslovak Republic November 1918; re-elected 1920, 1928 and 1934, resigned December 1935; died September 14, 1939.
- MASTREVIČ, Constantin de, Hungarian Minister in Germany.
- MASSIGLI, René, an Assistant Director of the Political and Commercial Department and Head of the League of Nations Division in the French Foreign Ministry.
- MASTNÝ, Vojtech, Czechoslovak Minister in Germany.
- MEISSNER, Otto, State Secretary from 1923 and Head of the Reich President's Secretariat from April 1, 1920; Head of the Presidential Chancellery August 1935-May 1945.
- MEYER, Richard, Ministerialdirektor, Director of Department IV in the German Foreign Ministry.
- MIKLAS, Wilhelm, Federal President of Austria from November 1923.
- MILCH, Erhard, State Secretary of the Reich Air Ministry.
- MOLOTOV, Vyacheslav, Chairman of the Council of Peoples' Commissars of the Soviet Union.
- MOLTKE, Hans-Adolf von, German Minister in Poland, Ambassador from November 14, 1934.
- MOTTA, Giuseppe, Swiss Federal Councillor, Head of the Political Department (Foreign Ministry) of the Federal Council.
- MUFF, Wolfgang, Lieutenant General, German Military Attaché in Austria, Bulgaria and Switzerland.
- MÜLLER, Dr. Ludwig, German Naval chaplain 1914-1932; the Reich Chancellor's Plenipotentiary 1933; *Land* Bishop of Prussia 1933 and Reich Bishop of the Evangelical Church 1934.
- MUSSOLINI, Benito, Founder 1919 and Leader of the Italian Fascist Party; Head of the Government, Foreign Minister and Minister of the Interior.
- NEUBACHER, Hermann, founder of the German-Austrian People's League (Deutsch-Österreichischer Volksbund), a pan-German organization, in 1925, and Director of the Gemeinde-Siedlungsbau-Gesellschaft, the famous municipal housing enterprise in Vienna, until 1932 when he was dismissed on account of National Socialist activities.
- NEURATH, Constantin Freiherr von, German Ambassador in Italy 1922-1930, and in Great Britain 1930-1932; Reich Foreign Minister from June 1932.
- NEUSTÄDTER-STÜRMER, Odo, Marquis Gozani, Austrian State Secretary for Labour Service May 10, 1933-February 16, 1934; Minister for Social Administration February 16, 1934-October 17, 1935; Minister in Hungary October 1935-November 1936.

- ORSENIGO, Monsignor Cesare, titular Archbishop of Ptolemais, Apostolic Nuncio in Germany.
- OTT, Eugen, Colonel, German Military Attaché in Japan.
- PACELLI, Eugenio, Cardinal, Secretary of State to His Holiness the Pope.
- PAPEN, Franz von, Vice Chancellor of the Reich and Saar Plenipotentiary until July 26, 1934, then Minister in Austria on special mission directly responsible to Hitler with the personal rank of Envoy Extraordinary.
- PAUL, Prince, Regent of Yugoslavia 1934, on the death of King Alexander (*q.v.*) and during the minority of King Peter II.
- PETAIN, Philippe, Marshal, French Minister of War in Doumergue Cabinet February 9–November 8, 1934.
- PETRESCU-COMEN, Nicolae, Rumanian Minister in Germany.
- PHIPPS, Sir Eric, British Ambassador in Germany August 2, 1933–April 24, 1937.
- PILSUDSKI, Józef, Marshal of Poland, Minister of War and Inspector General of the Polish Army.
- PIUS XI, Pope, Achille Ratti, elected February 6, 1922.
- POSSE, Hans Ernst, State Secretary in the Reich Ministry of Economics.
- RADOWITZ, Otto von, German Consul General in Danzig.
- RAEDER, Erich, Admiral, Chief of the German Naval Command in the Reichswehr Ministry from October 1, 1928.
- RAUSCHNING, Hermann, President of the Danzig Senate until November 24, 1934.
- REICHENAU, Walter von, Major General, Chief of the Wehrmachtamt in the Reichswehr Ministry.
- REINEBECK, Otto, German Minister in Estonia.
- RIBBENTROP, Joachim von, member of the NSDAP; appointed to be the Reich Chancellor's Commissioner for Disarmament Questions April 24, 1934.
- RIETH, Kurt, German Minister in Austria until July 25, 1934.
- RINTELEN, Anton, member of the Austrian Heimwehr; Landeshauptmann of Styria as a Christian Socialist 1919–1926; Minister of Education in the Ramek Cabinet June 25, 1926–October 20, 1926; re-elected Landeshauptmann of Styria in 1927; Minister of Education in the Dollfuss Cabinet May 20, 1932–May 24, 1933; resigned office as Landeshauptmann of Styria on being appointed Minister in Italy in August 1933; suspected of complicity in the Putsch of July 25, 1934, he was recalled from Rome, tried for high treason and sentenced to imprisonment for life.
- RITTER, Karl, Ministerialdirektor, Director of the Economic Department in the German Foreign Ministry.
- RÖCHLING, Hermann, Kommerzienrat, German industrialist, Leader of the German People's Party in the Saar Territory.
- RODENBÜCHER, Alfred, Brigadeführer, leader of the Austrian SS, later promoted to Gruppenführer and director of the Austrian Relief Agency (*Hilfswerk*).
- RÖHM, Ernst, Chief of Staff of the SA January 1, 1931–June 30, 1934, when he was arrested by Hitler personally and executed.
- ROOSEVELT, Franklin Delano, Democratic Party, President of the United States March 4, 1933, re-elected November 1936, November 1940, and November 1944; died April 12, 1945.
- ROSENBERG, Alfred, Head of the Aussenpolitisches Amt of the NSDAP from April 1933; editor of the NSDAP organ *Völkischer Beobachter* from 1921; a leading exponent of plans for German expansion into the Soviet Union and author of *Der Mythos des 20 Jahrhunderts*, an exposition of National Socialist ideology; the Führer's Commissioner for Supervising the Ideological Education of the National Socialist Movement from January 1934.
- ROSENBERG, Frederic Hans von, German Ambassador in Turkey.
- ŠAULYS, Dr. Jurgis, Lithuanian Minister in Germany.

- SCHACHT, Hjalmar, President of the Reichsbank December 22, 1923–April 2, 1930, and from March 17, 1933; also acting Reich Minister of Economics from July 30, 1934.
- SCHMITT, Kurt, Reich Minister of Economics until January 1935, on leave of absence from July 1934.
- SCHOEN, Wilhelm Freiherr von, German Minister in Ethiopia until December 1934.
- SCHÖNHEINZ, Kurt, Lieutenant General, Director of the Foreign Department (Abteilung Ausland) of the Reichswehr Ministry.
- SCHULENBURG, Friedrich Werner Count von der, German Minister in Rumania, then Ambassador in the Soviet Union from October 3, 1934.
- SCHUSCHNIGG, Kurt von, Austrian Minister of Justice January 29, 1932–July 10, 1934; Minister of Education May 24, 1933–July 29, 1934; Federal Chancellor and Minister of National Defence July 29, 1934–March 11, 1938.
- SCHWERIN VON KROSIGK, Lutz Count, Reich Minister of Finance from June 2, 1932.
- SEECKT, Hans von, Colonel General, Head of the German Military Mission in China; he had been Chief of the German Army Command 1920–1926.
- SEYSS-INQUART, Artur, Austrian lawyer by profession; joined German-Austrian People's League (a pan-German organization) in 1925, and became member of the Styrian Heimwehr; secretly joined the National Socialist Party in 1931; appointed to the Federal State Council (an advisory body of the Schuschnigg Government) on June 17, 1937, as the Federal Chancellor's "representative in matters of pacifying national circles". He played a prominent part in the events leading up to Hitler's annexation of Austria in March 1938.
- SIMON, Sir John, British Liberal-National M.P., Secretary of State for Foreign Affairs 1931–1935.
- SMEND, Hans, Counsellor at the German Embassy in Italy.
- STARHEMBERG, Ernst Rüdiger Prince, Federal Leader of the Heimwehr from September 1930; Austrian Vice Chancellor May 1, 1934–May 14, 1936; also Minister of Security and Leader of the Fatherland Front from July 30, 1934.
- STIEVE, Friedrich, Senior Counsellor, Director of Department VI in the German Foreign Ministry.
- STÜLPNAGEL, Heinrich von, Colonel, Head of the Foreign Armies (i.e. Intelligence) Department (T 3) of the Truppenamt in the Reichswehr Ministry April 1, 1933–November 1, 1936.
- SURITZ, Jakob, Soviet Ambassador in Turkey until July 1934, then Ambassador in Germany from October 26, 1934.
- SUVICH, Fulvio, Under-Secretary of State in the Italian Foreign Ministry.
- SZEMBEK, Count Jan, Under-Secretary of State in the Polish Foreign Ministry.
- TATARESCU, Gheorghe, Rumanian Minister President.
- TAUSCHITZ, Stephan, Austrian Minister in Germany March 22, 1933–March 13, 1938; temporarily recalled to be State Secretary for Foreign Affairs July 10, 1934–August 3, 1934.
- TITULESCU, Nicolae, Rumanian Foreign Minister 1927–1928 and 1933–1936; President of the Assembly of the League of Nations in 1930 and 1931.
- TRAUTMANN, Oskar P., German Minister in China.
- TUMEDEI, Cesare, Italian Deputy and member of the Italian Delegation to the League of Nations; university lecturer in Roman Law and writer on legal, political and economic subjects.
- TWARDOWSKI, Fritz von, Counsellor at the German Embassy in Russia.
- UNVERFEHRT, Willy, German Chargé d'Affaires in Ethiopia December 1934–March 1935.

VANSITTART, Sir Robert, British Permanent Under-Secretary of State for Foreign Affairs.

WEIZSÄCKER, Ernst Freiherr von, German Minister in Switzerland.

WEYGAND, Maxime, General, Vice President of the Conseil Supérieur de la Guerre; Inspector General of the French Army until January 1935.

WIED, Prince Viktor zu, German Minister in Sweden.

WURM, Dr. Theophil, *Land* Bishop of the Evangelical-Lutheran *Land* Church in Württemberg.

Appendix V

GLOSSARY OF GERMAN TERMS AND ABBREVIATIONS

A, Marinekommandoamt, Naval Command Office in the Reichswehr Ministry

A I, Flottenabteilung, Fleet Department of the Naval Command Office in the Reichswehr Ministry

A III, Abteilung Marinenachrichtendienst, Naval Intelligence Department of the Naval Command Office in the Reichswehr Ministry

AA, Auswärtiges Amt, the Reich Foreign Ministry

Abwehr, Intelligence Department of the Wehrmachtamt

a.D., ausser Dienst, retired

A.G., Aktiengesellschaft, joint-stock company

Ang., Angabe, a designation given where action of more than one sort is to be taken on a paper, the relevant instructions being usually split up as Ang. I, II etc., this follows the file number

Anschluss, union, unification; used especially in connexion with a union between Germany and Austria

APA, Aussenpolitisches Amt, the Foreign Affairs Office of the NSDAP of which Alfred Rosenberg was the Head

Assessor, candidate for the **höherer Dienst** who, having passed the General State Examination (*grosse Staatsprüfung*), is serving for a probationary period of not less than two years in an administrative department prior to permanent appointment

Assistent, grade in the **mittlerer Dienst**

Att. Gr., Attaché Gruppe, lit. "Attaché Group", the section within the **Truppenamt** through which corre-

spondence with the German Military Attachés was channelled

Auslandsorganisation, lit. "Foreign Organization", the National Socialist organization dealing with German nationals living abroad. It was set up in May 1933 as the Foreign Department (*Auslandsabteilung*) of the NSDAP with Gauleiter Bohle as its Head, placed under the Führer's Deputy in October 1933 and renamed in February 1934. It constituted a separate **Gau** of the NSDAP

Bezirksleiter, district leader

Brigadeführer, SA and SS rank approximately equivalent to Major General

Chefssache, lit. "matter for Chiefs", a security classification used in conjunction with **g. Kdos.** to restrict distribution of documents to heads of sections of a High Command and to Divisional Commanders

Dipl. Ing., Diplom-Ingenieur, certified engineer

DNB, Deutsches Nachrichtenbüro, the German news agency formed in December 1933 by the amalgamation of three formerly independent news agencies

e.o., ex officio, where this precedes the file number it indicates a draft for which there are no preceding papers; see also **zu**

Fliegerkapitän, a rank in use before the existence of the German Air Force was publicly acknowledged in March 1935, and equivalent to Flight Lieutenant

Fliegerkommodore, a rank in use before the existence of the German Air Force was publicly acknowledged in March 1935, and equivalent to Group Captain

Frhr., Freiherr, hereditary title of nobility, approximately equivalent to baron

Gau (pl. **Gaue**), the largest territorial unit of the NSDAP; see also **Hoheits-träger**

Gauleiter, lit. "Gau Leader", rank in the NSDAP; see under **Hoheits-träger**

Gauleitung (pl. **Gauleitungen**), the headquarters of the NSDAP in a **Gau**
geh., geheim, secret

Geheimrat, lit. "Privy Counsellor", an obsolete honorary title

gehobener Dienst, the "Upper Service" in the German Civil Service which comes between the **mittlerer Dienst** and the **höherer Dienst**. It contains the following four grades: (1) Inspektor, e.g. Technischer Inspektor, Bibliotheksinspektor, Regierungsinspektor, Verwaltungsinspektor, Konsultssekretär (AA); (2) Oberinspektor, e.g. Regierungsoberinspektor, Verwaltungsoberinspektor, Regierungsoberrevisor, Konsultssekretär I Kl. (AA); (3) Amtmann, e.g. Regierungsamtman, Verwaltungsamtman, Kanzler (AA), Ministerialkanzleivorsteher; (4) Amtsrat (Hofrat until 1918)

g.K., g. Kdos., geheime Kommandosache, indicates a security classification of Top Secret Military

Gruppenführer, SA and SS rank approximately equivalent to Lieutenant General

Heimatschutz, Heimwehr, Heimwehren, lit. "Home Defence" or "Home Guard", Austrian right-wing political and para-military organizations. They were subsequently included in the Fatherland Front (Vaterländische Front) founded by Dollfuss in 1933

Hofrat, lit. "Royal Counsellor", an obsolete civil service rank; see under **gehobener Dienst**

Hoheitsträger, the highest ranking regional representative of the NSDAP, the most important of which, according to rank and province (Hoheitsgebiet) were:
Führer—Reich

Gauleiter—Gau

Kreisleiter—Kreis

Ortsgruppenleiter—Ortsgruppe

höherer Dienst, the "Higher Service" in the German Civil Service which corresponds to the Administrative Class in the British Civil Service, though the functions of certain lower grades may be more executive than administrative. It contains the following six grades: (1) Regierungsrat, Bibliothekar (Librarian), Gesandtschaftsrat (Counsellor of Legation) (AA), Legationsrat (Counsellor) (AA), Vizekonsul (Vice Consul) (AA); (2) Oberregierungsrat, Oberregierungsrat als Ministerialbürodirektor, Gesandtschaftsrat I Kl. (AA), Konsul I Kl. (AA), Legationsrat I Kl. (AA); (3) Ministerialrat, Botschaftsrat (Counsellor of Embassy) (AA), Generalkonsul (Consul General) (AA), Gesandter (Minister), Vortragender Legationsrat (Senior Counsellor) (AA); (4) Ministerialdirigent, Generalkonsul I Kl. (AA), Gesandter I Kl. (AA); (5) Ministerialdirektor, Gesandter I Kl. as Head of a Mission (AA); (6) Staatssekretär (State Secretary), Botschafter (Ambassador) (AA)

HPA, Handelspolitischer Ausschuss [beim Auswärtigen Amt], Commercial Policy Committee [at the Foreign Ministry], a standing committee, set up in 1926, consisting of representatives of the Foreign Ministry, the Reich Finance Ministry, the Reich Ministry of Economics and the Reich Ministry of Food and Agriculture. Its duties were to prepare and coordinate commercial treaty negotiations. From time to time other Ministries were invited to be represented on it

I.G., Interessengemeinschaft, a pool or trust in industry

Kampfring, lit. "band of fighters", an association formed in 1933 of Austrian National Socialists living in Germany

Kanzler, grade in the **gehobener Dienst**; archivist, head of the chancery in a diplomatic Mission abroad

Kommerzienrat, Commercial Councillor, title conferred on industrialists, financiers and businessmen up till 1919

Kreis, an administrative unit in local government; also a territorial unit of the NSDAP—see under **Hoheits-träger**

Kreisleitung, the headquarters of the NSDAP in a **Kreis**

Kriminalkommissar, officer in the Criminal Police

Kriminalrat, rank in the Criminal Police

Land (pl. **Länder**), one of the Federal States of the Reich or of Austria

Landesführer, provincial leader of the Austrian National Socialist Party

Landeshauptmann (pl. **Landeshauptleute**), the President of the State Government in one of the Federal States (**Bundesländer**) of Austria, also entrusted with the indirect Federal administration

Landesinspekteur, lit. "State Inspector", title bestowed by Hitler on the chief leader of the Austrian National Socialist Party (Theo. Habicht)

Landesleitung, **Landesleitung Österreich**, directorate of the Austrian National Socialist Party, staff of the **Landesinspekteur**; its headquarters were moved to Munich in June 1933

Landtag, the representative assembly of the autonomous territory of Memel

M, indicates that a document has emanated from the staff of the Chief of the Naval Command in the Reichswehr Ministry (Chief of Staff: Captain Densch)

M I, indicates that a document has emanated from the senior officer on the staff of the Chief of the Naval Command in the Reichswehr Ministry (Lt. Commander Bürkner)

M IV, indicates that a document has emanated from the **Referent** on the staff of the Chief of the Naval Command in the Reichswehr Ministry

Ministeramt, see under **Wehrmachtamt**

Ministerialassessor, see **Assessor**

Min. Dir., **Ministerialdirektor**, grade in the **höherer Dienst** usually the director of a department in a Ministry

Ministerialdirigent (Dg.), grade in the **höherer Dienst** usually the deputy director of a department in a Ministry

Ministerialrat, grade in the **höherer Dienst**

mittlerer Dienst, the "Intermediate Service" in the German Civil Service, which corresponds to the Clerical Class in the British Civil Service. It contains the following three grades: (1) Assistent, e.g. **Regierungsassistent**, **Verwaltungsassistent**; (2) **Sekretär**, e.g. **Regierungssekretär**, **Verwaltungssekretär**, **Kanzleivorsteher**, **Ministerialkanzleisekretär**; (3) **Obersekretär**, e.g. **Regierungsobersekretär**, **Verwaltungsobersekretär**, **Ministerialkanzleiobersekretär**

M.J.A., **M. im Auftrag**, by order of the Chief of the Naval Command

NSDAP, **Nationalsozialistische Deutsche Arbeiterpartei**, National Socialist German Workers Party, the full title of the National Socialist Party (in common usage frequently abbreviated to "Nazi")

NSKOV, **Nationalsozialistische Kriegsopferversorgung**, National Socialist Welfare Organization for the War Disabled

Obergruppe, the largest SA unit, later abolished when the SA was organized into 21 **Gruppen**, lit. "Groups"

Obergruppenführer, SA and SS rank approximately equivalent to General of Infantry

Oberpolizeirat, senior rank in the Austrian Police

Oberregierungsrat, see under **höherer Dienst**

Ortsgruppe, sub-division of an NSDAP **Kreis**; see also under **Hoheitsträger**

Ortsgruppenleiter, see under **Hoheits-träger**

OWR, **Ostasiatisches Wirtschaftsreferat**, Far Eastern Economic Division in Department IV of the German Foreign Ministry

P., **Presseabteilung**, the Press Department of the German Foreign Ministry

Referat, section, division within a department of a German Ministry

- Referat Deutschland**, the division for internal German affairs in the Foreign Ministry
- Referent**, according to context: (1) head of a **Referat**; (2) drafting officer; (3) personal assistant (persönlicher Referent) to the head of a department; (4) specialist or expert for a particular country or subject; (5) responsible officer.
- Regierungsrat**, grade in the **höherer Dienst**
- Registermark**, indicates one of the several types of partially restricted German currency. Under the Third Standstill Agreement of February 1933 the sums repaid to Germany's creditors were to be deposited with the Reichsbank and inscribed in a special register, thus giving rise to the term **Registermark**; they were blocked for five years although they could be used under certain specified conditions. See also **Sondermark**
- Reich**, Germany (i.e., the Third Reich, Hitler's Germany)
- "Reichsanzeiger"**, **"Deutscher Reichsanzeiger und Preussischer Staatsanzeiger"**, official gazette published daily in Berlin
- Reichsbank**, German National Bank, founded 1875, reorganized 1924
- Reichsdeutsche**, Reich Germans, i.e., those Germans who were Reich citizens, used usually with reference to those living outside the frontiers of the Reich; see also **Volksdeutsche**
- "Reichsgesetzblatt"**, **"Reich Law Gazette"**; official publication of the Reich Ministry of the Interior giving the text of new laws, decrees and regulations in Part I, and of treaties and agreements with Foreign States in Part II
- Reichsland**, designation given to the territory which Germany annexed from France in 1871 and which was placed under an Imperial Governor (kaiserlicher Statthalter) as distinct from being a **Land**
- Reichsleitung**, Supreme Directorate of the NSDAP, its members being styled Reichsleiter, the highest rank in the Party
- Reichsnährstand**, Reich Food Estate, compulsory association of all persons engaged in agriculture, horticulture and fisheries; responsible for food production and marketing
- Reichstatthalter**, Reich Governor, representative of the Reich in a **Land** exercising large powers of administrative control under the Law issued April 7, 1933
- Reichswehr**, lit. "Reich Defence", the official designation of the German armed forces 1919-1935, consisting of the national army (**Reichsheer**) and navy (**Reichsmarine**) effective command over which was exercised respectively by the Army Command (**Heeresleitung**) and the Naval Command (**Marineleitung**) in the Reichswehr Ministry; in March 1935 the armed forces were renamed the **Wehrmacht**
- Ritter von**, title of nobility in Austria and Bavaria until 1918, equivalent to a knight
- Rk.**, **Reichskanzlei**, Reich Chancellery, office of the German Chancellor
- RM**, **Reichsmark**, the unit of German currency; see also **Registermark** and **Sondermark**
- RM**, **Reichsminister**, Reich Minister, any member of the Reich Cabinet, but in Foreign Ministry documents usually refers to the Reich Foreign Minister
- SA**, **Sturmabteilungen der NSDAP**, Storm Troops of the NSDAP (brown-shirts)
- SK**, **Gruppe für Seekonferenzen**, Group for Naval Conferences in the Reichswehr Ministry, an office directly subordinate to the Chief of the Naval Command; dealt with matters in which foreign affairs impinged upon individual decisions of Naval policy
- Sondermark**, lit. "Special Mark", indicates one of the types of partially restricted German currency. This could be paid into special accounts (**Sonderkonto**), which certain foreign banks of issue maintained at the **Reichsbank**, by German importers to cover the difference between the amount of foreign exchange allo-

cated for a given business transaction and the full value of the goods imported. As opportunity arose the foreign bank of issue would sell these **Sondermark**, which could be used for practically every purpose inside Germany, to importers of German goods, and the proceeds would then be credited to the exporter to whom the debt was due

Stahlhelm, lit. "Steel Helm", a German nationalist ex-Servicemen's organization founded in 1918 and transformed in March 1934 into the National Socialist League of German ex-Servicemen (*Nazionalsozialistischer Deutscher Frontkämpferbund* (NSDFB))

SS, Schutzstaffeln der NSDAP, élite corps of the NSDAP, used also for police purposes (black guards)

Staatsrat, State Counsellor, title given to a member of the State Council (*Staatsrat*), the advisory body of the Prussian Ministry of State

St. S., Staatssekretär, State Secretary, the highest career official in a Reich Ministry

Sturmabführer, SA and SS rank approximately equivalent to Major

Stützpunktleiter, rank in the **Stahlhelm TA, Truppenamt**, lit. "Troops Office",

one of the six principal offices for army matters in the Reichswehr Ministry. It served in effect as a German General Staff after 1920 when that name was prohibited under Article 160 of the Versailles Treaty and its head, the *Chef des Truppenamtes* was, in effect Chief of the Army General Staff. In 1935 it was redesignated the General Staff of the Army (*Generalstab des Heeres*). It comprised the following main departments: T1, National Defence; T2, Organization; T3 Foreign Armies (i.e., Intelligence); T4, Training

Truppführer, SA and SS rank approximately equivalent to Sergeant

VDA, Volksbund für das Deutschtum im Ausland, League for the German Community Abroad, an organization with the aim of strengthening the German national groups outside the frontiers of the Reich, which in the course of 1933 came under the control of the NSDAP

volksdeutsch, ethnic German; refers to the ethnic Germans (*Volksdeutsche*), i.e., persons of German stock but not of Reich nationality living outside the frontiers of the Reich; see also **Reichsdeutsche**

Volksgemeinschaft, lit. "folk community", i.e., community of persons of common stock and sharing the same political ideals

Volksgenosse (pl. *Volksgenossen*), lit. "folk comrades", i.e., fellow-Germans, usually applied to members of the German minority groups abroad

Volkstag, the representative assembly of the Free City of Danzig

W, Abteilung W[irtschaft], the Economic Department of the German Foreign Ministry

Wehrmacht, lit. "defence force", the armed forces of the Reich; see also **Reichswehr**

Wehrmachtamt, Armed Forces Office, one of the six principal offices for army matters of the Reichswehr Ministry, which dealt with joint matters of the armed forces, liaison between them, relations of the Reichswehr Ministry with other Reich Ministries and relations with the political parties. Until February 1934 it had been called the *Ministeramt*, lit. "Minister Office".

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